CENTRO INTERNACIONAL DE ESTUDOS
DE DOUTORAMENTO E AVANZADOS
DA USC (CIEDUS)

TESE DE DOUTORAMENTO

A POLITICAL ECONOMY ANALYSIS OF SPAIN'S 'MEDITERRANEAN NEOLIBERALISM', 1995-2016

Pedro M. Rey Araújo

ESCOLA DE DOUTORAMENTO INTERNACIONAL

PROGRAMA DE DOUTORAMENTO EN DESENVOLVEMENTO REXIONAL E INTEGRACIÓN ECONÓMICA

SANTIAGO DE COMPOSTELA

2019

USC
UNIVERSIDADE
DE SANTIAGO
DE COMPOSTELA

DECLARACIÓN DO AUTOR/A DA TESE

A Political Economy Analysis of Spain's 'Mediterranean Neoliberalism', 1995-2016

D. PEDRO M. REY ARAÚJO

Presento a miña tese, seguindo o procedemento axeitado ao Regulamento, e declaro que:

1) A tese abarca os resultados da elaboración do meu traballo.
2) De selo caso, na tese faise referencia ás colaboracións que tivo este traballo.
3) A tese é a versión definitiva presentada para a súa defensa e coincide coa versión enviada en formato electrónico.
4) Confirmo que a tese non incorre en ningún tipo de plaxio doutros autores nin de traballos presentados por min para a obtención doutros títulos.

En Santiago de Compostela., 25 de Febreiro de 2019

Asdo. Pedro M. Rey Araújo

USC
UNIVERSIDADE
DE SANTIAGO
DE COMPOSTELA

AUTORIZACIÓN DO DIRECTOR / TITOR DA TESE

A Political Economy Analysis of Spain's 'Mediterranean Neoliberalism', 1995-2016

D. Melchor Fernández Fernández

D. Alberto Meixide Vecino

INFORMAN:

Que a presente tese, correspóndese co traballo realizado por D. ***Pedro M. Rey Araújo,****, baixo a miña dirección, e autorizo a súa presentación, considerando que reúne os requisitos esixidos no Regulamento de Estudos de Doutoramento da USC, e que como director desta non incorre nas causas de abstención establecidas na Lei 40/2015.*

En Santiago de Compostela, 25 de Febreiro de 2019

Asdo. Melchor Fernández Fernández

Asdo. Alberto Meixide Vecino

USC
UNIVERSIDADE
DE SANTIAGO
DE COMPOSTELA

A quen me coidou

USC
UNIVERSIDADE
DE SANTIAGO
DE COMPOSTELA

AGRADECEMENTOS

O texto que aquí se presenta é un texto atípico. Atípico, porque se sitúa no seo dunha tradición, a da economía política, que se atopa no día de hoxe en franco retroceso na academia europea e española ante o pulo que ven amosando, desde hai xa varias décadas, a economía neoclásica; atípico, porque bebe directamente dunha corrente de análise e pensamento, a Economía Política Radical, practicamente sen tradición algunha na academia española; atípico, porque plantexa abordar unha serie de temas desde a perspectiva teórica da economía política que a cotío non atopan nela acomodo algún; atípico, porque prescinde da estrutura típica dunha tese de doutoramento en economía, carente tanto de analíses econométricas propias coma de copiosas revisións da literatura existente; atípico, porque nel se mesturan, indisociablemente, consideracións estritamente epistemolóxicas, intencións abertamente partisanas, e inquedanzas intrinsicamente persoais.

Este proxecto disfrutou do tempo, cariño, atención e esforzo de moitas persoas, cada unha das cales, á súa maneira, houbo de deixar no presente texto candansúa impronta, e ás cales é preciso mostrar o meu agradecemento. Aos meus directores, Melchor e Alberto, por ter aceptado embarcarse nun proxecto carente de rumbo claro nos seus albores, polo cariño e fraternidade amosadas nestes anos, a confianza infinita depositada en min e máis nun proxecto que se saía do usual en numerosos aspectos. Igualmente, este agradecemento é extensible aos meus compañeiros do GAME, quen me permitiron disfrutar de todas os recursos, emocionais, institucionais e económicos, precisos para levar esta investigación a bó porto. Singularmente, gustaríame agradecerlle a Roberto Herranz a súa continua atención a este proxecto, así coma o cariño e atención que sempre percibín nas numerosas conversas sostidas ao longo destes anos. Por outra banda, é

preciso recoñecer o impagable apoio ofrecido polos meus compañeiros do IDEGA, especialmente a Loli e Maribel, polo continuo apoio loxístico sen o cal non me podería ter adicado, cáseque en exclusiva, ao meu traballo investigador. Tampouco me podo esquecer de Tomás Porteiro, antigo mais eterno compañeiro, con quen puiden discutír moitas das ideas aquí contidas, atento, preocupado e informado lector, quen agarimosamente me forzou a ler un presuntamente vetusto libro de economía política que, co tempo, se convertiría na inesperada pedra angular do presente texto. Finalmente, teño que manifestar o miña impagable débeda con Ramón Máiz, por terse amosado sempre disposto a ler e discutir calquera cousa que lle pedín, por se ter comportado coma un verdadeiro director de tese, pola súa calidade intelectual e sobre todo humana, pola súa sempiterna disposición a facerme sentir acompañado, por ter sempre aberta a porta do seu despacho, pola súa fraternidade intelectual e o seu compromiso inquebrantable co mundo das ideas.

Por otro lado, no puedo sino mostrar un agradecimiento imposible de condensar en estas breves páginas a Lina Gálvez, directora con todas las letras de esta tesis. Por haber aceptado hacerse cargo de un proyecto sin mediar previamente relación personal alguna, por haber leído y discutido diferentes partes de este texto, mostrando una confianza en esta investigación verdaderamente encomiable; por haberme integrado en su grupo como uno más, a pesar de la distancia; por haberme facilitado disfrutar de una estancia en un centro de la altura de la Universidad de Oxford; por su partisana defensa, sin ambages, de la economía heterodoxa; por haber sido un referente académico, intelectual y ético-político. También, por supuesto, a mis compañeras del GEPDO, especialmente a Marga, por los maravillosos meses a su lado en Oxford; y a Laura, por su influencia en lo que aquí se presenta, por el tiempo, esfuerzo, y cariño dedicado a leer y reflexionar sobre numerosas ideas que aquí figuran, en la expectativa de poder continuar, de aquí en adelante, una fructífera colaboración intelectual.

A José Manuel Naredo, referente intelectual innegable de la presente investigación, maestro e inspiración, ejemplo de librepensador desligado de ataduras con el poder, azote del

caciquismo hispano, impecable analista de los idiosincráticos derroteros seguidos por las élites patrias para enriquecerse a nuestra costa. Brújula moral e intelectual en los mórbidos tiempos que corren, ha sido un verdadero privilegio el poder haber disfrutado de su consejo y atención, así como por haber siempre manifestado un profundo interés y empuje en los temas aquí tratados. Aspectos centrales del presente análisis, desde la centralidad inmobiliaria al carácter caciquil de nuestras élites, encuentran en su obra y persona su principal antecedente e inspiración.

A Luis Buendía, también, por haberse implicado desintersadamente en este proyecto sin haber mediado compromiso alguno, por su solícita disposición a leerme y atenderme, su perenne ánimo y desinteresado apoyo, su profunda generosidad intelectual y sus atentos comentarios; a Carlos Prieto, por haberse igualmente implicado en esta investigación, su atención y precupación por el mismo, y haberme ayudado a encontrar a alguien que verdaderamente se hiciese cargo de este proyecto; a Pau Belda, cuyos precisos y afilados comentarios a anteriores versiones de estas ideas han modificado, para bien, su calidad posterior.

I would also like to thank Terry McDonough, for his invaluable support to this project. When I first started exploring potential ways of relating SSA theory and Laclau's approach, he was incredibily generous in reading and commenting upon my earler texts, and whose support was crucial not only in encouraging me to keep on working upon the SSA approach, but also helping refine and improve my arguments.

Furthermore, I had enjoyed two academic stays abroad. I would like to thank the people from the LEST, at Aix-en-Provence, especially Delphine, Ariel, and Paul Bouffartigue, who helped me develop the ideas that would later constitute the bulk of this essay; and the people at the Centre of Time-Use Research, at the University of Oxford. While I have decided not to include here my research on time-use I developed there, it nonetheless belongs to the wider project from which this text is ultimately a part.

Lastly, this text has greatly benefited from the comments provided by reviewers of various academic journals, chiefly the *Review of Radical Political Economics* and *Science & Society*, whose prescient comments helped me improve my ideas well beyond what I would have been capable of on my own.

ABSTRACT

This essay provides an analysis, from a political economy perspective, of Spain's recent socio-economic development during the last two decades. Our main research objective is to apprehend the institutional mechanisms grounding and animating the period of strong economic growth between 1995 and 2008, on the one hand, and the upcoming period of socio-economic crisis, from the onset of the Great Recession onwards, on the other. Under the presumption that both periods are ultimately indissociable, it is argued that the aforementioned period of growth was supported, in the last instance, by a set of self-defeating trends which, despite its markedly contradictory character, managed to reproduce themselves for a relatively long time thanks to the relations of mutual support provided by each to the remaining ones. Moreover, the main processes fostering such a path of economic development were not only highly contradictory when considered in isolation but had also quite pernicious social consequences. A twin goal of this essay was to investigate how such conflict-prone institutional bases had not given way to widespread political contestation. It is argued that, in order to apprehend how such a growth model could have been reproduced with virtually no social opposition, it in necessary to appraise the ways in which the worst social effects derived from the main processes governing economic expansion were prevented from coming to the fore thanks to, precisely, their mutual occurrence and successful interaction.

However, once the mutual reproduction of such self-defeating trends was no longer possible, the whole institutional structure shaping them crumbled down, demolishing in turn previously-dominant social consensuses. In this respect, it is argued that, on the one hand, the length and intensity of the ensuing crisis was intimately linked to the precarious bases regulating economic expansion and that, on the other, both the timing and issues prominently at stake during

the ensuing political crisis were closely related to the nature of previous economic expansion as well as to the type of economic breakdown experienced

In order to analyze both periods indicated from a holistic perspective, one which analyzes both the institutional foundations of the early economic expansion and its ulterior decay, on the one hand, and the accompanying social consensuses on the other, a novel theoretical framework will be developed first, one which combines attention to both economic dynamics and political interactions on an equal footing, in the expectation that, this way, the ultimate determinants of recent socio-economic evolution in Spain will be successfully apprehended.

RESUMO

O presente ensaio acomete unha análise, desde a perspectiva teórica da economía política, do desenvolvemento socioeconómico recente en España durante as dúas últimas décadas. O principal obxectivo desta investigación non será outro que aprehender os mecanismos institucionais que sostiveron e animaron o período de intenso crecemento económico entre 1995 e 2008, por unha banda, e o conseguinte período de crise económica e social, desde o comezo da Gran Recesión en diante, por outra. Baixo a hipótese de que ambas etapas resultan indisociables, deféndese que o mencionado período de crecemento foi propiciado, en última instancia por un conxunto de tendencias insostibles, as cales, malia o seu carácter marcadamente contraditorio, lograron reproducirse conxuntamente por un longo tempo debido ao apoio ofrecido por cada unha ás restantes. Ademais, os principais procesos sostendo tal senda expansiva non só resultaron altamente contraditorios cando son considerados individualmente, mais tamén deron lugar a unha serie de consecuencias sociais altamente perniciosas. Outro obxectivo capital da presente investigación será interrogar como foi que unhas bases institucionais tan conflitivas a priori non deron lugar a protestas sociais a gran escala. Neste respecto, deféndese que, de cara a comprender como tal modelo de crecemento foi levado a cabo sen protestas sociais de alta envergadura, é preciso aprehender a forma na cal os máis perniciosos efectos sociais derivados, respectivamente, dos principais bloques institucionais sostendo a expansión económica, non foron inmediatamente visibles grazas, precisamente, á ocorrencia conxunta destes últimos, así como á modalidade da súa mutua relación.

Sen embargo, unha vez que a reprodución conxunta de ditas tendencias altamente contraditorias xa non foi máis posible, toda a estrutura institucional albergándoas veuse abaixo, levando consigo os diversos consensos sociais que foran, previamente, dominantes. Neste

senso, deféndese que, por unha banda, a duración e intensidade da crise ulterior estaban intimamente ligadas ás precarias bases sobre as que se sostivera a expansión previa, mentres que, por outra banda, tanto o desenvolvemento da crise política conseguitne, como os temas que nela adquiriron singular relevancia, atopábanse altamente relacionados coa natureza da expansíon precedente, e o tipo de implosión sistémica á cal deu lugar.

De cara a estudar ambos períodos con un enfoque holístico, un capaz de aprehender as bases institucionais da expansión previa e a súa ulterior crise, por unha banda, e os consensos sociais que as acompañaron, por outra, desenvolverase un marco teórico propio, un que combine axeitadamente a debida atención tanto ás dinámicas económicas como ás interaccións políticas, respectivamente, co obsectivo de poder aprehender debidamente os determinantes últimos da evolución socioeconómica recente en España.

RESUMEN

El presente ensayo acomete un análisis, desde la perspectiva teórica de la economía política, del desarrollo socioeconómico reciente en España durante las dos últimas décadas. El principal objetivo de esta investigación será aprehender los mecanismos institucionales que sostuvieron y animaron el período de intenso crecimiento económico entre 1995 y 2008, por un lado, y el consiguiente período de crisis económica y social, desde el inicio de la Gran Recesión en adelante, por otro. Bajo la hipótesis de que ambas etapas resultan indisociables, se defiende que el mentado período de crecimiento fue propiciado, en última instancia, por un conjunto de tendencias insostenibles las cuales, pese a su carácter marcadamente contradictorio, lograron reproducirse conjuntamente por un largo período debido a apoyo ofrecido por cada una a las restantes. Además, los principales procesos sosteniendo tal senda expansiva no solo resultaron altamente contradictorios cuando se los considera individualmente, sino que también dieron lugar a consecuencias sociales altamente perniciosas. Otro objetivo capital de la presente investigación es el interrogar cómo unas bases institucionales tan propicias a dar lugar a conflictos no dieron lugar, sin embargo, a protestas sociales a gran escala. A tal respecto, se defiende que, de cara a comprender cómo dicho modelo de crecimiento pudo haber sido llevado a cabo sin protestas sociales de alta envergadura, es necesario aprehender la forma en la cual los más perniciosos efectos sociales derivados, respectivamente, de los principales bloques institucionales sosteniendo la expansión económica, no fueron inmediatamente visibles gracias, precisamente, a la ocurrencia conjunta de éstos últimos, así como a la modalidad de su interrelación.

Sin embargo, una vez que la reproducción conjunta de dichas tendencias altamente contradictorias ya no resultó posible, toda

estructura institucional dándoles cobijo se vino abajo, arrastrando consigo los diversos consensos sociales que habían sido previamente dominantes. En este sentido, se defiende que, por un lado, la duración e intensidad de la crisis ulterior estaban íntimamente ligadas a las precarias bases the la expansión previa, mientras que, por otro lado, tanto el desarrollo de la crisis política consiguiente, como los temas que en ella adquirieron especial relevancia, estaban altamente relacionados con la naturaleza de la expansión y el tipo de implosión sistémica al que dio lugar.

De cara a estudiar ambos períodos con un enfoque holístico, uno capaz de aprehender las bases institucionales de la expansión previa y su ulterior crisis, por un lado, y los consensos sociales que las acompañaron, por otro, se desarrollará un marco teórico propio, uno que combine adecuadamente la atención debida a las dinámicas económicas y a las interacciones políticas, respectivamente, con el objetivo de poder aprehender correctamente los determinantes últimos de la evolución socioeconómica reciente en España.

CONTENTS

PART 2.
THE EVOLUTION OF SPANISH NEOLIBERALISM. 1995-2016.

LIST OF FIGURES

LIST OF TABLES

USC
UNIVERSIDADE
DE SANTIAGO
DE COMPOSTELA

INTRODUCTION

In 2008, the greatest expansionary phase in the recent history of Spanish capitalism was all of a sudden interrupted. By then, it looked like the whole country was sharing the benefits of a well-established parliamentary democracy, finally leaving behind the anguishing memories of a not-that-distant fascist past; it seemed that arguably old-fashioned narratives of class cleavages had eventually been superseded by a generalized 'middle-class' status which promised not to leave anyone behind; the specters of the Civil War were once and for all, or so it seemed, left behind an amnesic veil. A nominally social-democratic government could enjoy, at the same time, the support of both bankers and trade unionists, constituting itself as the main employment creator within the European Union while, simultaneously, advancing a civil rights agenda whose progressiveness equally surpassed European standards. The victory of its football national team in the Euro 2008 could not but confirm to everyone's eyes that Spain, indeed, belonged to the 'Champions League of world economies', as a former prime minister had put it. That same year I started my Undergraduate studies in Economics.

In 2014, barely six years later on, nothing was left standing on its feet. The generalized euphoria of the past had given way, all of a sudden, to widespread confusion and desperation; instead of booming employment opportunities, one could only observe mounting unemployment and perfidious precariousness everywhere; widespread de-proletarianization in the guise of rising housing prices had given way to thousands of families been evicted from their primary homes; previous 'middle-class' consensuses had been shown deceitful by

thousands of citizens camping in squares all over the country; class cleavages suddenly came to the fore as a widening gulf between rulers and ruled was made violently apparent to anyone trying to secure their own subsistence; and the European Union was no longer a symbol of modernity and progress but took the shape, instead, of foreign men wearing black suits indiscriminately curtailing everyone's social rights. That same year I started doctoral studies.

What had happened, therefore, between those six years? I must admit I did not have the necessary means to make sense of the situation I was immersed into and, certainly, neither had most of my generation. Where had all the promises we had been told in our youth been left? Was there something we had forgotten to do properly? Had we been cheated or, perhaps, simply misguided? Was it all our fault? If not, who to hold responsible? Had our youth been simply illusory, or else was it our present that which should be considered but an unexpected nightmare?

This is the social context under which the present investigation was conducted, one which explains, in a sense, the extent to which the pages hereby introduced ought to be understood to share an indissociably political, epistemological, and personal inspiration. They are animated by a strictly epistemological motivation insofar as they attempt to foreground a novel theoretical framework through which to think of and apprehend the situation currently undergone by Spanish society. They are self-consciously political, insofar as such theoretical labor is conducted in the expectation of illuminating future socio-political struggles in an increasingly polarized social scenario. Lastly, this is an eminently personal enterprise insofar as I attempted to offer myself some plausible explanations regarding what had changed, and how it had done so, between the years of my early youth and the radically distinct scenario I was now been forced to confront.

1. RESEARCH OBJECTIVES.

While the present investigation has several interrelated objectives, the main overarching goal holding them together is to offer a characterization of the socio-economic trajectory undergone by Spanish society between the years 1995 and 2016. Such a temporal span is by no means arbitrary, as it comprises the last phase of economic growth, ranging from 1995 until 2008, and the ensuing period of crisis, both economic and political, which found a provisional turning point with the General Elections of 2016. In order to accomplish such a task, this essay is composed of two well-differentiated blocks. The first one, operating at a strictly theoretical level, attempts to produce a new theoretical framework through which to analyze recent Spanish socio-economic experience, under the belief that no preexisting approach was perfectly suited to undertake the research tasks hereby indicated. The second one, more empirically oriented, applies the aforementioned theoretical framework to produce a detailed analysis of our selected case study. However, before offering a brief outline of the pages that will follow, it is first imperative to delineate which are the main research questions the current investigation aims at providing an answer.

- The first main research objective of the present investigation is to offer an in-depth characterization of Spain's recent socio-economic trajectory from a political economy perspective. During the period ranging from 1995 until 2008, the successful macroeconomic performance of the Spanish economy deserved, at the time, the most laudatory comments from analysts of various signs. However, such a successful performance was not only markedly uneven but also highly contradictory, insofar as the successful evolution of certain key indicators during those years coexisted with a quite worrisome evolution of some others. This

essay attempts to disentangle the relative importance of each in terms of their relative effects upon the global trajectory of the Spanish economy and, crucially, to appraise the ultimate nature of the existing relation between the two. Intimately related to this last point, another chief concern will be to discern what the relation was between the successful trajectory of those early years, and both the gravity and duration of the ensuing recession. In this respect, it will be argued that it is the intensity of certain macroeconomic disequilibria during the phase of expansion that which explains not only the apparent successes of the early years, but also the length and severity of the ensuing recession.

- The second main objective of this research will be to examine in detail, on the one hand, the various social consensuses that had been operative during the expansion phase until 2008 and, on the other, how, and to what extent, they were affected by the onset of the economic crisis starting that same year. It will be shown that such a long period of economic growth harbored several internal disequilibria which, in turn, could have given way to political expression liable to undo the very bases upon which economic growth had been grounded. However, those years appeared marked, precisely, by significantly high levels of social consensus about the specific path of development the Spanish economy was by then undergoing. To apprehend which were the issues at stake in political contentions at the time and, also, how they relate to the nature of the economic expansion, will be one of our chief concerns in what follows. Moreover, once the Great Recession finally fostered a fully-fledged process of economic breakdown, social discontent, and institutional decomposition, previously-dominant social consensuses rapidly underwent a process of wide-scale disintegration. How do the various political expressions emerging during the aftermath of the economic crisis relate to the nature of the economic breakdown? Also, how do they relate to the

institutional bases of the period of expansion? Is it possible to discern their higher or lesser anti-systemic potential by examining them jointly with underlying economic dynamics? These questions will be central to the research hereby undertaken.

- The last main objective of this research, one which, to a certain extent, underlies the previous two, is to develop a theoretical framework capable not only of providing valid answers to the above-mentioned lines of theoretical of inquiry, but also, and perhaps more crucially, to pose research questions well attuned with those very same research concerns. To that matter, as explained in detail below, a theoretical synthesis between two different theoretical strands will be attempted. On the one hand, one strand firmly based in the political economy tradition, which understands capitalism as an intrinsically crisis-prone social system and which, therefore, grants to economic relations a prominent role in building up a social theory with holistic aims. On the other, a theoretical corpus chiefly concerned with providing a nuanced analysis of socio-political interactions, which focuses upon how political alignments are produced, sustained and subverted, so that the political dimension of the period considered is not downplayed when analyzing as well its economic one. It is expected that such a theoretical elaboration will allow us to cast the two above-mentioned research goals in a markedly new light.

2. METHODOLOGY.

As noted above, this essay, firstly, develops a new theoretical framework by building upon different epistemological traditions to then, secondly, be able to examine in detail the ultimate nature of Spain's recent socio-economic developments. Given our holistic, wide-ranging intentions, the resulting work will be necessarily interdisciplinary, its theoretical sources comprising, though certainly

not restricted to, Marxist political economy, post-structuralist social theory, critical discourse studies, feminist economics, the literature on welfare states, and institutionalist economics. The first part of this essay, given that it is prominently concerned with developing a novel theoretical framework through which to appraise the case here under study, is eminently theoretical. It is concerned with, firstly, setting up the main theoretical assumptions that are to guide our future theoretical scrutiny; secondly, it offers a critique of those literatures deemed the most relevant to our purposes in relation to, on the one hand, the theoretical assumptions guiding our inquiry and, on the other, the case study under consideration; and, thirdly, it attempts to synthesize into a common analytical framework the various insights we consider the most relevant from the perspective of the social theory we are here striving for. In sum, the first block accomplishes an eminently intra-theoretical labor. The second part, which applies the theoretical framework just developed to recent Spanish socio-economic experience, incorporates into the analysis, besides strictly theoretical concerns, a range of qualitative analyses and empirical work. Regarding the latter, a variety of secondary sources will be employed, reflecting the currently existing partitions within the academic arena, in order to cast them into new light through the epistemological lenses developed in the first part. Moreover, wherever it was considered necessary, our own data was generated as well from primary sources. While it is expected that the final result will accurately reflect the inter-disciplinary impetus animating it, among the various theoretical influences reflected in this work, however, two of them prominently stand out, each mapping in turn the two main research goals we had set to ourselves above.

Regarding the analysis of the economic determinants of both the economic expansion and the ensuing economic downturn, this work will be firmly placed within the political economy tradition. Concretely, it will make ample use of Social Structures of

Accumulation (SSA) Theory, the centerpiece of the Radical Political Economy tradition. It is our view that such a framework is among the better-suited to apprehend the internal dynamics of capitalism in a given socio-historical context; how the institutional contours of a given society are affected by the capitalist mode of production; as well as how the crisis-prone nature of the latter is either attenuated or enhanced depending on the institutional ensemble embodying it. However, it suffers as well from various shortcomings which, if our self-proclaimed aims are to be satisfied, need to be confronted. In that respect, it is strictly necessary to complement the various insights drawn out of the former with those derived from other sources. Crucially, we ought to incorporate into the analysis various insights from the feminist economics traditions, especially those related to an enhanced understanding of work and the domestic division of labor; as well as certain macroeconomic flows not captured in conventional National Accounts, whose consideration is all the more crucial in light of recent Spanish experience, as, hopefully, it will be made clear in the upcoming pages. It is also necessary, in relation to our goal of appraising the multifarious and ubiquitous nature of social consensuses and political alignments, to incorporate a more nuanced treatment of the latter than that characteristic of the whole political economy tradition.

This last point leads us straight to the other main theoretical framework we are prominently relying upon in developing our own, namely, post-structuralist social theory, among which there clearly stands out the post-Marxist approach pioneered by Ernesto Laclau and Chantal Mouffe. Several aspects of their approach are singularly relevant to our purposes, such as their emphasis upon the ubiquity of power relations, their study of political logics in their own right, without subordinating them to economic processes; or their understanding of a society's 'common sense' as the ultimate arena for political struggles. However, they suffer as well from other pitfalls

such as an over-simplistic characterization of institutions and, above all, an incapacity to apprehend capitalist dynamics. In sum, it is precisely the theoretical field opened up by the joint consideration of the two theoretical traditions just indicated where, in our view, our own theoretical contributions ought to be situated.

3. A PRELIMINARY OUTLINE.

There are several requisites we want to impose upon the theoretical framework we expect to come up with. Crucially, it is necessary to recognize the existence of the capitalist mode of production as crisis-prone ensemble constituted by internal dynamics which leave their imprint upon the society within which they are immersed. Any social theory which does not correctly apprehend the extent to which a given society's self-reproduction is ultimately subject to, and affected by, the internal dynamics of capitalism, will experience serious difficulties when trying integrate current social developments within its framework. However, from this recognition it should not be derived that capitalist logics are all-embracing, the society within which they are immersed thus being but a mirror-like image of the former. On the contrary, we understand the heterogeneity of the social world to be irreducible to any common denominator. As argued in **Chapter 1**, the temptation to downplay any of these two recognitions in favor of the other should be rejected from the start. While most social theories tend to emphasize one single pole among the two, we are committed to the possibility of finding some 'middle ground' between them by recognizing, at one and the same time, the extent to which capitalist dynamics condition coexisting social processes and the ultimate irreducibility of the latter to the former. This tension permeates the whole Marxist tradition, we contend, reaching a culminating point in the work of the French philosopher Louis Althusser.

Once the 'middle-ground' position we are striving for has been laid bare, **Chapter 2** will focus upon the two strands of theory that are to become the cornerstones of our own, namely, SSA Theory and Ernesto Laclau's post-marxist approach. Having in mind the goal of producing a novel synthesis among the two, it is first necessary to outline the nature, potential limitations and expected benefits of such an enterprise. It is our contention that several similarities among their respective approaches favor their joint consideration, such as a common concern with the internal fragmentation of the working class, and with the proliferation of new social struggles irreducible to class struggle narrowly defined; their search for a new emancipatory program able to integrate within itself the above-mentioned proliferation of novel social struggles; an understanding of the diachronic evolution under capitalism as being marked by an alternation between periods of relative stability and others of intense social transformation; and, lastly, a common theoretical antecedent in the work of Althusser. Once these points in common have been delineated, in turn justifying the dialogue among the two we intend to bring forward, the expected benefits of the latter can be properly understood. In a nutshell, it is our contention that, on the one hand, SSA theory would greatly benefit by replacing its sometimes over-simplistic characterization of political interactions by post-marxism's more nuanced treatment of hegemonic formations whereas, conversely, the latter would heavily profit by replacing its under-developed approach to institutions by SSA theory's much more detailed understanding of capitalism's internal dynamics. Before attempting a provisional synthesis between the two, the upcoming two chapters will first offer an in-depth critical examination of each.

Chapter 3 will examine in detail Laclau's post-marxism regarding its uneasy relation with the political economy tradition altogether. After reviewing Laclau's lifelong theoretical evolution, from his earlier Althusserian work of the 1970s until his later

reflections of populism, it is argued that Laclau's purported surpassing of the Marxist canon in the guise of his 'post'-marxist project is seriously vitiated from the start due to, on the one hand, an over-simplistic depiction of Marxism and, on the other, an incorrect reading of Althusser's work. As a consequence, we argue, Laclau's approach is in serious difficulties to appraise the fact that, at the end of the day, the societies he examines are societies where capitalist dynamics influence and overdetermine their own, consequently undermining post-marxism's explanatory potential. This claim is substantiated *via* a close scrutiny of four specific areas of his work, namely, the implications of treating social demands as the most elementary units of analysis; his unilateral treatment of class as a type of political identity; his chaotic understanding of temporal dynamics under capitalism; and lastly, certain theoretical inconsistencies derived from his latest work on populism.

A similar analysis is conducted relative to SSA theory in **Chapter 4**. In our view, as already indicated, SSA theory suffers from theoretical shortcomings of an entirely different nature regarding those previously identified in Laclau's approach. While we strongly favor SSA theory's analysis of capitalism's internal dynamics and of how the latter interrelate with the institutional environment within which they will be necessarily immersed, there are nonetheless some pitfalls which, in our view, ought to be addressed. On the one hand, it is argued that positing an *a priori* hierarchy of social contradictions is counterproductive to properly apprehend the processes of institutional transformation and recomposition of a given ensemble, as it obscures the manifold lines of tension and contradiction present in the latter at a given point in time. Instead, the category of overdetermination, as originally developed by Althusser, is argued to be better-suited to such a task. On the other hand, another consequence derived from postulating such a hierarchy of social contradictions is that, in our view, it implicitly conduces to imposing a predetermined internal

movement to History, thus potentially downplaying the role that historical contingency and political struggles can play in conditioning socio-historical transformation. Both aspects, we contend, could find a satisfactory answer if put into relation with post-marxism's understanding of them.

Once a common problematic among these two theoretical strands has been identified, as well as the relative shortcomings identified in each, **Chapter 5** puts forward a theoretical framework which, while remaining faithful to the most relevant insights identified in each, nonetheless tries to correct their respective pitfalls regarding the social theory we are committed to bring forward. Our main goal here will be to ground a notion of 'social orders' upon political economy premises, that is, to explore how the twin processes of social order's constitution and subversion are affected by underlying capitalist dynamics. The multiplicity of social conflicts present in a given institutional ensemble, the conditions of visibility enjoyed by social agents, or the need to provide both material rewards and symbolic recognition to subaltern groups, will be explored in relation to how they affect the functioning of the capitalist accumulation process, and how they are affected in turn by the cyclical behavior of the latter. As long as our enterprise is considered to have been successfully conducted, capitalist dynamics and social consensuses could then be analyzed and studied without necessarily downplaying one pole in favor of the other.

Such a theoretical framework is then employed in **Chapter 6** to analyze the nature of organic crises in SSA theory. Building upon Martin Wolfson and David Kotz's distinction between Liberal and Regulated SSAs, the crisis tendencies prominently harbored by each will be scrutinized in order to appraise the extent to which the systemic crises associated to each may differ among themselves. Afterwards, we will explore how the nature of the economic breakdown conditions the unravelling of previously-dominant social

consensuses, that is, how are systemic crises converted into organic crises. We do so by focusing upon the type of institutional decomposition associated to each, as well as the type of agents they tend to empower during the expansion phase. Moreover, explicit attention will be offered to the relation between populist movements and their respective economic breakdowns. In that respect, it will be argued that the prevalence of the former in the current historical conjuncture is absolutely no matter of coincidence, as Liberal SSAs, such as most among those associated to the neoliberal era, tend to give rise to populist expressions in the aftermath of their associated systemic crisis, while the opposite holds in relation to their Regulated counterparts.

The second part of this essay, comprising the next four chapters, will employ the theoretical framework developed in the previous block to analyze recent Spanish socio-economic experience between 1995 and 2016. As explored in **Chapter 7**, the period under consideration ought to be partitioned into two well-differentiated sub-periods. The first one, ranging from 1995 until 2008, would correspond to the expansion phase of a Liberal SSA in Spanish territory, although one, as explained below, with a markedly Mediterranean character. The second one, ranging from 2008 until 2016, witnesses the process of decomposition of the above-mentioned Liberal SSA, ensuing in turn a political crisis along the lines explored in the previous chapter. In order to substantiate the claim that a Liberal SSA had been effectively operating in Spain during the first twelve years, several dimensions of it will be scrutinized in detail, namely, its geographical and temporal reach, the extent of its internal coherence, and its capacity to prevent its most conflict-prone elements from giving birth to political expressions capable of interrupting capitalist valorization dynamics. Finally, the reasons that justify, in our view, qualifying such SSA as both ‘Liberal’ and ‘Mediterranean’ will be accounted for.

Having presented the broad contours of the 'Mediterranean' Liberal SSA we have identified as our object of study, **Chapter 8** provides an in-depth examination of the institutional mechanisms sustaining economic activity during the long decade of expansion between 1995 and 2008. The core thesis thereby defended is that the construction of a Liberal SSA in Spanish territory responded, in the last instance, to the need on the side of Spanish capital to compensate its underlying productive deficiencies with a continued victory in its distributive struggle with labor. Despite the worrisome foundations upon which such an institutional ensemble was ultimately grounded upon, it gave way to several social processes which, despite showing an indelibly contradictory character when seen in isolation, they managed nonetheless to provide each other support in such a manner that their individual reproduction was reinforced by their joint occurrence. However, far from attenuating their self-defeating character, internal disequilibria were magnified in the course of the economic expansion. Indeed, it will be argued that the length and intensity of the expansion phase was directly proportional to the gravity of its internal contradictions.

Among the latter, three of them are scrutinized in detail. Firstly, an increasingly distorted accumulation process where, despite investment being the most vigorous component of internal demand during those years, most of those expenditures were ultimately driven by a tremendous housing bubble. Increasing amounts of money were being channeled to an over-sized real estate complex during those years, in what seemed to be, by then, a boundless process of housing prices' revalorization. Moreover, within the category of productive investments proper, most of those expenditures were directed towards those economic sectors where labor productivity growth was more sluggish, resulting in turn in an enlarging 'competitiveness gap' relative to the European core. Secondly, households' aggregate consumption levels were on the rise despite stagnating real wages

through the whole period. Such behavior is explained by an impressive upsurge in households' indebtedness levels, together with the copious funds that could have been drawn out by trading on self-appreciating real estate properties. Thirdly, family economies were submitted to increasing strains as rising female labor force participation occurred in a socio-economic environment marked by, on the one hand, a very asymmetrical and resilient domestic division of labor where women are forced to undertake most household chores and care-related activities and, on the other, systematic public policy inaction to relieve women of those same care responsibilities.

While these various social processes managed to lend each other support during the whole expansion phase, in turn attenuating their most perfidious social effects, they were nonetheless highly conflict-prone. **Chapter 9** is devoted to examining how social consensuses were actually generated and reproduced during the whole phase of expansion. It is argued that, on the one hand, the most socially-damaging effects derived from the main processes sustaining economic expansion were attenuated during the whole period thanks, precisely, to their joint occurrence. On the other, those whose voice would have been potentially more critical with the existing social order were successfully prevented from making it heard. Moreover, a 'middle-class' identification became widespread as rising consumption levels and ascending housing prices served to obliterate the gradual worsening of labor conditions. In sum, as long as the main institutional processes co-governing economic expansion were successfully reproduced, dominant social consensuses found a material ground upon which to be based.

However, as seen in **Chapter 10**, the Spanish SSA was irrevocably driven towards its own collapse. As soon as the housing bubble started to deflate, the remaining social processes, which found in ascending housing prices its ultimate support, could not but start an analogous process of decomposition. The type of economic

breakdown experienced by the Spanish SSA closely conformed to the pattern we had previously identified as typical of Liberal SSAs, that is, a sudden and abrupt process of institutional decomposition. Once the economic crisis irrupted in the socio-political arena, previous political alignments were rapidly dissolved. While, on the one hand, the dominant groups in society took an increasingly defensive and punitive stance, a variety of social demands suddenly came to the fore, confronting a crumbling institutional structure experiencing significant problems to satisfactorily address them.

USC
UNIVERSIDADE
DE SANTIAGO
DE COMPOSTELA

PART 1.
THEORETICAL FRAMEWORK:
RADICAL POLITICAL ECONOMY AND POST-MARXISM

« La ‘science économique’ est l’arène et l’enjeu des grands combats politiques de l’histoire »

Louis Althusser, *Lire le Capital*

USC
UNIVERSIDADE
DE SANTIAGO
DE COMPOSTELA

1. DANCING OVER THE ‘MIDDLE GROUND’.

1.1. SOCIAL HETEROGENEITY AND CAPITALISM.

The theoretical journey initiated here starts from two basic premises that are to guide our analysis in the pages that follow. On the one hand, our societies are not simply societies in the abstract but capitalist societies instead or, more accurately, social formations where capitalism is the dominant mode of production. On the other, these same societies are irreducibly plural, in the sense that their phenomenal diversity cannot be reduced to any single common denominator. Starting from this dual recognition, we aim to develop a social theory that enables us to grasp the various social determinants of historical development at play in a given conjuncture, together with the various social tensions and conflicts coterminous with the former. In our opinion, theorizing capitalist societies from a holistic perspective requires, at one and the same time, to study the internal movement of the capitalist mode of production (i.e. the internal evolution of its constituent elements as well as the various relations existing among them at a given time and place), as well as the various processes through which people make sense of the social conditions in which they are immersed (i.e. how people react, contest, acquiesce, consent or struggle against them).

In our view, when analyzing the relation between the diverse social processes through which material (re)production is organized, and the modalities and nature of political interactions accompanying it, two main risks should be avoided at all costs. On the one hand, a

reductionist and/or economicist approach to politics needs to be discarded. In other words, political interaction among social agents should under no circumstances be derived straightforwardly from the configuration of material processes and the position the former occupy in them. On the other hand, a voluntarist approach to politics, that is, one that understands that individuals have the capacity to re-shape the existing social order according to their respective wills, needs to be equally rejected. Instead, the strength and stubbornness of the various social processes delimiting the scope for political action needs to be acknowledged. In contemporary social theory, these Scylla and Charybdis of social theory may be associated to orthodox Marxism and to postmodern social theory, respectively.

Before proceeding forward, some basic methodological precepts that are to inform our theoretical investigation should be laid bare. Only by reference to them can our theoretical goals and motivations be situated, and the more or less successful character of our enterprise be ultimately ascertained.

- Firstly, our societies are not abstract, internally coherent entities, nor mere collections of discrete elements. On the contrary, they are societies where capitalism is the dominant mode of production. By mode of production it is understood the social relations that regulate how, in a given society, economic surplus is produced, appropriated and distributed among its members. Capitalism is an inherently unstable and crisis-prone social system, where intervals of socio-institutional stability always precede periods of more intense social turmoil and radical transformation. These latter periods are referred to as systemic crisis, where profound social change is not only advisable but even necessary from the perspective of systemic preservation, thus considerably widening the existing scope for political intervention. The dominance of capitalism in these social

formations means that the internal evolution of the former molds and shapes to a greater extent the historical evolution of the remaining social processes partaking in the latter.

- Secondly, a dimension of conflict and antagonism underlies the social ensembles we are referring to. This dimension of antagonism is not deemed to be a social malfunction nor a historical anomaly but, on the contrary, is understood as ontologically primary and constitutive itself of social objectivity. It follows that the social analyst's task is not to discern how conflicts might emerge from an otherwise harmonious social environment but, on the contrary, to appraise how such antagonistic dimension is channeled and negotiated so that a social order can be satisfactorily self-reproduced over time. Therefore, societies are not constitutive (meaning that some internal and essential features would hold the key to decipher its outer phenomenological appearance) but constituted through a thoroughgoing and incessant process of pacification of contingent struggles. Moreover, such antagonistic dimension is also constitutively ubiquitous, for no specific location within the social structure enjoys any sort of ontological privilege regarding the manifestation of social conflicts. As a corollary, it follows, firstly, that no specific social subject can be granted any *a priori* privilege regarding its capacity to initiate anti-systemic struggles and, secondly, that no political agent's identity is derived, in a direct and straightforward manner, from the inner functioning of the underlying social structure but, on the contrary, its emergence is strictly dependent upon a constitutive and non-determinist process of political mediation.

- Thirdly, the phenomenal diversity these societies show in its outer appearance is utterly irreducible to any common

denominator that would account, in the last instance, for their observed differences. On the contrary, such social heterogeneity is ontologically primary. It is not meant that social subjects' self-perceived differences do not share some common determinants related to how society's material production is organized, but that any observed social unity is always the result of some process of political production of commonality. In sum, while difference is ontologically primary, social identity is the outcome of political processes aimed at achieving it.

- Fourthly, we argue in favor of an anti-essentialist conception of social sciences. By this we mean that social interaction cannot be reduced to the interplay among essences underlying the social, whose search would constitute the *raison d'etre* of social scientists. Instead of splitting social processes into two separate fields (e.g. necessity *vs* contingency; essences *vs* appearances), we conceive theoretical processes as co-existing with other social processes within the social totality, with no pre-constituted relations among them. However, rejecting the existence of essences underlying the social does not lead us to praise the utter impenetrability of the social in a nihilistic and postmodern fashion and thus to confine ourselves to merely register the multifarious phenomenological appearance of the world. We do affirm, instead, the necessity of introducing some internal hierarchy among coexisting social processes regarding their differential causal effectivity. Otherwise we would be abandoning the terrain of social sciences altogether. However, these 'knowledges' are not expected to reflect in any sense any essential characteristics of the social processes implicated but to represent themselves partial and contingent 'truths', i.e. truths are deemed to be strictly intra-theoretical. As a corollary, social sciences are not concerned with unveiling 'hidden truths' waiting

> to be discovered out there but represent a radically partisan enterprise (independently, of course, of its practitioners' degree of self-consciousness in that respect).

In sum, we aim at developing a theoretical framework that acknowledges the existence of social structures (however incomplete and unstable) underlying every social interaction without deriving the latter from the nature of the former. We aim at giving due attention to social agents' capacity of agency without that implying presuming they operate in an institutional vacuum. We aim at acknowledging that capitalism's internal dynamics are relevant but not all-embracing; that capitalism is a contingent element in human history but in no way a precarious one; crisis-prone but not teleologically driven towards its own dissolution; complex but not inapprehensible; simple but in no way textbook-like. In the same vein, political action is not economically determined nor completely unconstrained; the constitution of political identities is a relatively autonomous process but in no case a fully-independent one; political action is neither omnipotent nor tragically doomed to fail.

We are well aware that the twin dangers of falling into either determinist or voluntarist schemes of social explanation stand as an ever-present threat to our theoretical enterprise. However, we are equally committed to the possibility of finding some 'middle ground', however unstable and slippery, where we would like to situate ourselves.[1] Let's proceed.

1.2 THE MARXIST TRADITION AND THE 'MIDDLE GROUND'.

It is our contention that this tension between two different explanatory schemes of social transformation, one leaning towards the primacy of

[1] To my knowledge, the term 'middle ground' originates in Resnick and Wolff (1987).

human agency and self-consciousness, the other towards the primacy of structural explanation, has permeated the whole Marxist tradition since its very inception. Indeed, both lines of reasoning can be already identified in the works of Marx himself. On the one hand, we find at the beginning of the *Communist Manifesto* perhaps the most eloquent expression to date of the first pole: 'The history of all hitherto existing society in the history of class struggles'. On the other, the not less famous Preface to *A Contribution to the Critique of Political Economy* holds the opposite view, in what would become the flagship of Marxist orthodoxy in the decades to come.[2] A lengthy quote is due:

> In the social production of their existence, men inevitably enter into definite relations, which are independent of their will, namely relations of production appropriate to a given stage in the development of their material forces of production. The totality of these relations of production constitutes the economic structure of society, the real foundation, on which arises a legal and political superstructure and to which correspond definite forms of social consciousness. The mode of production of material life conditions the general process of social, political and intellectual life. It is not the consciousness of men that determines their existence, but their social existence that determines their consciousness. At a certain stage of development, the material productive forces of society come into conflict with the existing relations of production or – this merely expresses the same thing in legal terms – with the property relations within the framework of which they have operated hitherto. From

[2] Commenting upon this duality, Elliot (2006 : 201) writes: 'For some Marxists it is a question of either/or. For others, the problem is to integrate the two axioms in such a way that the inverse perils of economistic and voluntarist reductionism are avoided'. We are ourselves committed to this second option, despite knowing that most probably we will fail.

> forms of development of the productive forces these relations turn into their fetters. Then begins an era of social revolution. The changes in the economic foundation lead sooner or later to the transformation of the whole immense superstructure.

Between this two extreme poles, Marx's view was definitely more nuanced and complex than has been suggested by the dogmatic, economicist and fatalist versions to be later instituted as Marxist orthodoxy. While, in Marx's view, certain structural conditions were needed for social upheaval to be successful in reshaping the social order, the key to actual (and progressive) social transformation within capitalism was 'the development of the working class into a self-conscious political subject capable of taking control of society' (Callinicos 2007 : 94). Beyond strictly theoretical considerations, it seems that contingent political imperatives were key to determine which facet of Marx's dual scheme was emphasized. While a fatalistic interpretation of history became entrenched within Marxist orthodoxy, singularly in the writings of the leaders of the II International (e.g. Kautsky, Bernstein), a revindication of human agency's capacity of social transformation was emphasized in certain currents of Western Marxism (e.g. Lukács, Korsch, Sartre), themselves a response to the political immobilism advocated by the former.[3]

[3] Hamza (2017 : 165) offers an analogous interpretation of what we are referring to as the 'middle ground' position: 'There are Marxists who read Capital especially in the light of the famous line from the Manifesto: "capitalism produces its own gravediggers" – for them, a crisis in capitalism is a crisis of capitalism, in the sense that it produces the tools for overcoming it. For others, Capital is read in light of another statement from the Manifesto, the one about the permanent social revolution brought about with the bourgeoisie – for them, a crisis is a moment of internal revolution to capitalism, part of capitalism's own form of self-reproduction. Which option is correct? Perhaps neither: the much more frightening realization we have come to grasp is that capitalism does reproduce its own logic indefinitely *and* it does meet an immanent limit point'.

In the end, the debate revolved around what the relation was between the economic and non-economic aspects of the social totality, as well as what their relative relevance was in promoting fully-fledged social change. Regarding political subjectivity, the key question was whether the latter was to spring naturally and straightforwardly out of the configuration of the relations of production or, on the contrary, non-economic aspects played a constitutive role themselves regarding political self-consciousness. We follow Resnick and Wolff (1987 : 40) in situating Engels as the initiator of the 'middle ground' position, in the sense of acknowledging 'that the debate touched something of great importance, yet also [accepting] it in its unresolved form'. Despite Engels being mostly responsible for the simplified versions of Marxism later to be constituted as orthodoxy (see Engels 1978), a partial theoretical restatement took place in some private correspondence at the end of his life. Some singularly relevant fragments are quoted below.

> 'According to the materialistic conception of history, the production and reproduction of real life constitutes *in the last instance* the determining factor of history. Neither Marx nor I ever maintained more. Now when someone comes along and distorts this to mean that the economic factor is the *sole* determining factor, he is converting the former proposition into a meaningless, abstract and absurd phrase. The economic situation is the basis but the various factors of the superstructure (…) all these exercise an influence upon the course of historical struggles, and in many cases determine for the most part their form. (…) [H]istory is made in such a way that the final result always arises from conflicts between many individual wills, of which each in turn has been made what it is by a host of particular conditions of life. Thus, there are innumerable

intersecting forces, an infinite series of parallelograms of forces which give rise to one resultant — the historical event. (…) Marx and I are ourselves partly to blame for the fact that the younger people sometimes lay more stress on the economic side than is due to it. We had to emphasize the main principle *vis-à-vis* our adversaries, who denied it, and we had not always the time, the place or the opportunity to give their due to the other elements involved in the interaction’ (Engels 1890b).

‘Political, juridical, philosophical, religious, literary, artistic, etc., development is based on economic development. But all these react upon one another and also upon the economic base. It is not that the economic position is the *cause and alone active,* while everything else only has a passive effect. There is, rather, interaction on the basis of the economic necessity, which *ultimately* always asserts itself’ (Engels 1894).

‘If therefore Barth supposes that we deny any and every reaction of the political, etc., reflexes of the economic movement upon the movement itself, he is simply tilting at windmills. (…) What these gentlemen all lack is dialectic. They never see anything but here cause and there effect. That this is a hollow abstraction, that such metaphysical polar opposites only exist in the real world during crises, while the whole vast process proceeds in the form of interaction (though of very unequal forces, the economic movement being by far the strongest, most elemental and most decisive) and that here everything is relative and nothing is absolute – this they never begin to see. Hegel has never existed for them’ (Engels 1890a).

Engels's comments on the debate between economic determinism and social pluralism are relevant for he acknowledged the relevance of the debate itself while refusing to lean towards any of the sides. Moreover, most of the issues that are to articulate successive positions and reformulations of the debate later on are already present in these fragments. Namely, the ultimate meaning of the assertion that the economic is determinant 'in the last instance'; the nature of the relative influence of superstructural elements upon the social whole; the political/partisan nature of all knowledge, and hence how extra-theoretical circumstances came to determine which side of the debate was to be emphasized; the nature of causality in the social world (e.g. whether the effects reverted back upon the causes, how multi-causality was to be understood); how to delimit a domain of necessity as separated from that of contingency; the specific theoretical status of the dialectic, and hence the nature of Marx's relation to Hegel; or the existence of dichotomizing tendencies within the social and whether those become exacerbated in times of systemic crisis. Taking Engels's inconclusive commentaries as a somehow starting point, the debate between economic determinism and social pluralism reached a culminating point in the work of French Marxist philosopher Louis Althusser, who took the 'middle ground' position to its ultimate, most refined (and, to some, untenable) consequences.

1.3 THE ALTHUSSERIAN LANDMARK.

The debate over the relation existing between economic and non-economic elements of the social totality reached a culminating point, we contend, in the works of Althusser. Besides the numerous criticisms he received, the various intra-theoretical problems present in his works, and the utter oblivion into which his figure has

unfortunately fallen, some aspects he dealt with should nonetheless still be of utmost relevance to contemporary social theory.[4]

Althusser's intervention, simultaneously theoretical and political, emerged as a response to the two most significant variants of Marxism within the intellectual landscape of the early 1960s, namely, 'economism' and 'humanism', respectively. On the one hand, under the banner of 'economism' Althusser referred to the ossified doctrine that, first in the hands of Second International's leading theorists, then through its Stalinist reformulation, was converted into a Marxist catechism during the early Cold War years. This doctrine emphasized a sort of technological determinism where the development of the productive forces, and their intermittent clash wish existing relations of production, stood as the latent driving force of every and any historical course of development. As summarized by Elliot (2006 : 129): 'Abstract, reductionist and teleological, economism is a schema in which the economy (and its contradictions) is the pantheistic demiurge of history and individual societies are only variations ('backward' or 'advanced') on a universal model'. This evolutionary and determinist scheme of historical transformation had as its inexorable corollary the inevitable supersession of capitalism by communism as a result of the self-unfolding of the former's own internal dynamics. The key consequence of this fatalist scheme was a complete disregard towards political action and the active promotion of working-class self-consciousness. That is, the debate about the relation between base and superstructure, between the economic and non-economic elements of the social totality, was not resolved, nor reformulated but, rather, neglected.

On the other hand, several thinkers (e.g. Gramsci, Lukacs, Korsch) from the 1920s turned to both Hegel and Marx's Early Works

[4] Reasons of space prevent us from offering a more detailed treatment of Althusser's Marxism. Instead, we refer the interested reader to Callinicos (1976), Benton (1984) and, especially, Elliot (2006).

in search of a potential antidote to the political immobilism of the Second International's, first, and Stalinist, later on, deviations. Based upon Marx's early writings, while clearly inscribing themselves within a Hegelian-Feuerbachian problematic, the themes of human essence, alienation, and human consciousness were brought to the forefront. In France, this current was mainly represented by Sartre and Merleau-Ponty's 'existential' and 'phenomenological' versions of Marxism, respectively. In 'humanist Marxist' schemes, the central role in historical transformation no longer corresponds to the productive forces but to the self-realization of the 'human essence', for it was a 'teleological philosophical anthropology wherein the ineluctable travails of the human essence in alienation presaged its reappropriation and realization under communism' (Elliot 1993 : 22). By situating Man or the Working Class at center stage instead of the development of the productive forces, the articulation between economic and non-economic elements within the social totality (i.e. the existing scope for genuine political action) did not fare any better, for the 'radically non-determinist conception of human freedom which is employed means that theory loses the capacity to illuminate and guide practice at the level of concrete strategies and tactics' (Benton 1984 : 8).

Althusser claims that, while the 'humanist' stance was indeed a denunciation of the inhumanity of Stalinism, it did not suffice to overcome the latter's deviation within Marxism because it fell prey of the very same theoretical misconception: 'The scandal of Althusser's assault upon these doctrines was his identification of them as mirror-images, resembling each other in their underlying theoretical structure (…) and historical messianism' (Elliot 1993 : 22). While the 'humanist' version represents historical processes as a 'journey of the human subject through self-alienation to final self-consciousness and self-emancipation' (Benton 1984 : 18), its 'economicist' counterpart shared the same teleological structure but with the self-development

of the productive forces now occupying center stage. The latter's political fatalism carried out the same complication than the former's absolute voluntarism: namely, a lack of a 'concrete analysis of the concrete situation', to express it with Lenin's words, without which the very possibility of politics is unthinkable. The roots of the problem, Althusser argued, were to be found in their shared understanding of both the nature of the social totality and that of the inner contradiction acting as the latter's driving force. Marx's accounts of both were wholly distinct, and radically irreducible, to the Hegelian versions grounding both 'economicist' and 'humanist' Marxist accounts.[5] This was the utmost Althusserian wager.

Althusser develops his account of what, in his view, the notions of contradiction of social totality actually meant for Marx in the essays 'Contradiction and Overdetermination' and 'On the Materialist Dialectic', contained in *For Marx* (Althusser 1969), and in his contribution to *Reading Capital* (Althusser and Balibar 2009). Althusser begins his purported demolition of Hegelian dialectics through a critical examination of the metaphor of 'inverting Hegel' in Marx's famous excerpt from *Capital*'s afterword: 'With [Hegel, the dialectic] is standing on its head. It must be turned right side up again, if you would discover the rational kernel within the mystical shell'. It had been commonly interpreted as meaning that, while Hegel's method was the correct one (the dialectic), its object needed to be discarded (idealist philosophy). However, Althusser contends, in Marx's reformulation not only the terms had changed (i.e. political economy instead of Hegel's civil society), but also the relation between them: the Marxist dialectic was radically different from the Hegelian dialectic. Wherein lies the difference?

[5] 'It is this common structure of the problematic which is made visible when, rather than analyzing the theoretical or political *intentions* of mechanism-economism on the one hand and humanism-historicism on the other, we examine the internal logic of their conceptual mechanisms' (Althusser and Balibar 2009 : 154).

Let's start with Hegel. The Hegelian totality is an '*expressive'* totality, where each part of the whole can be ultimately reduced to the expression of the inner essence animating it.[6] Its apparent complexity is ultimately not so, as the essence of the totality is immediately present and graspable in every and each of its single moments, the latter being thus mere manifestations of an inner simple unity: '[The Hegelian dialectic] is completely dependent on the radical presupposition of a simple original unity which develops within itself by virtue of its negativity, and throughout its development only ever restores the original simplicity and unity in an ever more 'concrete' totality' (Althusser 1969 : 197). Therefore, the *simplicity* of its contradiction is precisely that which grants the totality its unity, thus becoming a 'circle of circles', a totality that is 'reflected in a unique internal principle, which is the truth of all those concrete determinations' (Althusser 1969 : 102). Whenever this notion of totality is imported into the Marxist tradition, the question of the effectivity of the superstructures upon the economic base is ultimately devoid of any meaning, for the former remains implicitly reduced to a mere epiphenomenon of the latter.

Althusser concedes that Marx had never provided an explicit theoretical account of his understanding of dialectics. However, such an account can be found, implicitly, in *Capital* as well as in Marxist (revolutionary) political practice - especially in the works of Lenin and Mao. Marxism 'rejects the theoretical presupposition of the Hegelian model (…) which accepts this original simple unity (…) which will produce the whole complexity of the process later in its auto-development, but without ever getting lost in this complexity itself'. Instead, for Marxism, 'there is no longer any original simple

[6] By 'expressive totality', Althusser understands 'a totality all of whose parts are so many '*total parts*', each expressing the others, and each expressing the social totality that contains them, because each in itself contains in the immediate form of its expression the essence of the totality itself' (Althusser and Balibar 2009 : 105).

unity (…) but instead, *the ever-pre-givenness of a structured complex unity*' (Althusser 1969 : 198-9, original emphasis). Contrary to Hegel's, the Marxian totality, Althusser contends, consists in a number of interrelated instances none of which are reducible to the economic. Each instance of the social totality enjoys its own degree of effectivity and relative autonomy, so that each becomes a determinant, while also being determined in turn, of every other instance of the whole. The possibility of *a priori* splitting the social totality between core and superfluous elements is ruled out from the beginning for the Marxian totality's complexity is both ontologically primary and irreducible, 'so simplicity is not original; on the contrary, it is the structured whole which gives its meaning to the simple category' (Althusser 1969 : 196).

If the social totality is constitutively complex, then, within the Marxist dialectic, the contradiction ought to be constitutively complex as well. The Marxist notion of contradiction differs from the Hegelian one in that its various social determinations appear invariably blended with the contradiction itself, so that every contradiction remains indissociable from its conditions of existence, i.e. every contradiction is *overdetermined*:

> '[T]he 'differences' that constitute each of the instances in play (…) '*merge*' into a real unity, they are not '*dissipated*' as pure *phenomena* in the internal unity of a *simple* contradiction. (…) the 'contradiction' is inseparable from the total structure of the social body in which it is found, inseparable from its formal *conditions* of existence, and even from the *instances* it governs; it is radically *affected by them*, determining, but also determined in one and the same movement, and determined by the various *levels* and *instances* of the social formation it animates, it might be called *over-*

> *determined in principle*'. (Althusser 1969 : 100-1, italics in the original)

Althusser borrows the term overdetermination from Freud's (1976) analysis of the dream-work. In the latter' usage, it referred to the processes of condensation and displacement of elements of the dream-content when appearing into the dream-thought. It was not an arbitrary process of distortion of an initial content suitable to be ultimately recovered intact, but a process constitutive of the dream-thought itself. Althusser is interested in the concept for it allows him to delineate the manner in which the social totality manifests itself through its effects. By making use of it, scientific knowledge could discern, in Althusser's view, how the various social contradictions at play may contribute either to the inhibition or to the exacerbation of another social contradiction, thus throwing some light upon the internal dynamics of the underlying social structure.[7]

It should be clear by now that the problem of the particular effectivity of the superstructures is here cast in a completely new light. If every social contradiction is overdetermined, i.e. if it is ultimately indissociable from its own conditions of existence, it follows that the intensity of any single contradiction will be strictly dependent upon its position in the social whole and the ultimate configuration of the latter. Therefore, appraising the historical becoming of the social totality (and, of course, the very possibility and nature of political interventions upon it), requires the apprehension of how multiple contradictions correlate among themselves, so that the contradictory

[7] Althusser acknowledges nevertheless that he imports the term in the absence of any better concept available. 'I am not particularly taken by this term overdetermination (…) but I shall use it in the absence of anything better, both as an index and as a problem' (Althusser 1969 , 101). Moreover, 'it is borrowed from two existing disciplines: specifically, from linguistics and psychoanalysis. In these disciplines it has an objective dialectical 'connotation' (…) sufficiently related formally to the content it designates here for the loan not to be an arbitrary one' (Althusser 1969 : 206)

character of every other instance is either reinforced or attenuated in turn.

Despite the plurality of irreducible instances constituting the social totality, the resulting ensemble of social domains, in Althusser's view, is not a mere sum of discrete elements but a unified structure. The fact that these various instances cannot be reduced to any common denominator does not imply we are dealing here with a mere aggregation of discrete determinants. On the contrary, the various instances are hierarchally organized because of the *dominant* role assigned to one of those instances:

> 'The Marxist whole (…) is constituted by a certain type of complexity, the unity of a structured whole containing what can be called levels or instances which are distinct and 'relatively autonomous', and co-exist within this complex structural unity, articulated with one another according to specific determinations, fixed in the last instance by the level or instance of the economy' (Althusser and Balibar 2009 : 108).

In this sense, the economy is *determinant* 'in the last instance' because, in each mode of production, it assigns the dominant role to one instance of the whole, which in turn organizes the relations of dominance and subordination among the remaining instances. It is characteristic of the capitalist mode of production that in it the economy assigns the dominant role to itself, whereas in other modes of production that attribution might vary. These instances will be relatively autonomous among themselves, each having its own degree of effectivity and hence a peculiar temporality. It follows that the ensuing social totality 'is a complex structured unity: its complexity lie in the fact that it is a unity of distinct, relatively autonomous instances with different modes of development; its structure lies in the

fact that its unity results from the hierarchy the instances possess through the determination by the economy in the final analysis' (Callinicos 1976 : 46).

Therefore, it is precisely the 'determination in the last instance by the economy' that which turns a plurality of instances into an integrated unity, thus refuting the charge of pluralism, for 'only [it] makes it possible to escape the arbitrary relativism of observable displacements by giving these displacements the necessity of a function' (Althusser and Balibar 2009 : 110). However, while this might be a valid move to avoid being charged with pluralism, the truth is that expressions such as 'the necessity of a function' might force some to question whether Althusser's Marxism could successfully rebut the twin charges of 'economism' as well.

Certainly, some have criticized Althusser for having surreptitiously fallen again into the 'economicist' problematic through his insistence upon the 'determination in the last instance by the economy' (chiefly Laclau and Mouffe 2001; Resnick and Wolff 1987). However, this 'last instance' is not to be understood either as a starting point of historical processes or as a predetermined telos, for the contradiction within the economic instance between relations and forces of production does not turn the remaining instances into shadow-like reflections of itself but, instead, organizes the relations of domination and subordination among the latter without ever suppressing their relative autonomy and effectivity: '[I]n History, these instances, the superstructure, etc. – are never seen to step respectfully aside when their work is done or, when the Time comes, as his pure phenomena, to scatter before His Majesty the Economy as he strides along the royal road of the Dialectic. From the first moment to the last, *the lonely hour of the 'last instance' never comes*' (Althusser 1969 : 113, italics added). Therefore, 'determination in the last instance by the economy' and 'the last instance never comes' are not antithetical propositions but, on the contrary, represent Althusser's

attempt to avoid the twin dangers of economism and voluntarism. Both terms are mutually dependent, indicating that no inner essence of the social will ever be retrieved for the uneven development of the various instances will never achieve any sort of happy resolution: overdetermination is universal. Hence, a notion of totality ensues which is nothing but the relations subsisting between its effects, but a totality nonetheless:

> 'What Althusser is trying to hammer home to us is the shift from treating a cause as a thing, a substance, a distinct, separately identifiable entity to treating it as a relation, from something that can be immediately or ultimately pointed to, grasped hold of, to treating it as the displacements effected by the structure of the whole upon its elements. (…) to argue that reality is not something underlying the appearances, but is the structured relation of these appearances' (Callinicos 1976 : 52)

Whether Althusser has succeeded in reformulating Marxist theory along anti-essentialist lines while remaining firmly within the Marxist tradition is still an open-ended question. The following section will deal with two paramount criticisms in that respect.

1.4 THE ALTHUSSERIAN TWILIGHT. SOME INTERNAL PROBLEMS.

Regarding the almost complete disappearance of Althusserian Marxism from the contemporary intellectual landscape, personal, political and intra-theoretical circumstances are to be held accountable. However, not only has his influence spanned across many different theoretical *milieux*, but, we contend, his early works remain an indisputable reference when posing, at a strictly theoretically level, the questions we are dealing with here. Given that

our goal is to offer a theorization of social interaction under capitalism that simultaneously avoids the perils of economism, on the one hand, and pluralism, on the other, we will focus upon two of the main criticisms directed against Althusserianism, namely, the latent functionalism of his theory of ideology and the internal (im)possibility of conceiving social transformation. While these criticisms might remain valid, the truth is that the various ways in which a resolution has been attempted served not only to discredit it but also to open up new fruitful lines of theoretical scrutiny.[8]

Althusser's reformulation of the Marxian notion of mode of production along anti-historicist and anti-humanist lines did not come without problems. Certainly, conceiving modes of production as specific 'combinations' (*Verbindung*) of invariant element was a fruitful movement in debunking historicist accounts of social transformation (Althusser and Balibar 2009 : 254). Crucially, when asserting that a mode of production had to generate its own conditions of existence, thus denying its necessary self-transcendence, they might be implicitly denying the very possibility of fully-fledged social transformation altogether. In his contribution to *Reading Capital*, Balibar attempted to theorize historical transitions through the concept of 'transitional modes of production', which are characterized by the non-correspondence between forces and relations of production. However, the nature of the transition from a mode of production to a transitional one remains equally enigmatic. Moreover, inscribing its self-dissolution within its very conceptual definition cannot but imply a surreptitious return to the very teleological modes of reasoning Althusserian Marxism ultimately set up to combat. The question remains, therefore, of how to conceive a social order's self-

[8] The list of social thinkers who, in some way or another, have remained heavily indebted to Althusser's work is enormous: Alain Badiou, Jacques Rancière, Slavoj Žižek, Chantal Mouffe, Ernesto Laclau, Michel Aglietta, Alain Lipietz, Paul Hirst, Judith Butler, Etienne Balibar, Nicos Poulantzas, Bob Jessop, Stuart Hall…

reproduction without falling prey of functionalist schemes of social explanation; how to conceive the necessity of social change without implicitly embracing teleological logics; how to conceive historical transitions without obliterating structural constraints; how to account for political action without resorting to voluntarist explanations.

Another related problem emerged with Althusser’s account of ideology. If the superstructures were to have any degree of real effectivity upon other social processes (including the economic realm), ideology could not be conceived as simply a reflection/inversion of ‘real’ material processes. Instead, ideology is conceived by Althusser as the various social representations needed for people to conform to the positions allotted to each in a given social order: ‘Ideology, then, is the set of representations of people’s imaginary relations to their real conditions of existence required in order for them to function as social agents under any conceivable set of relations of production’ (Elliot 1993 : 30). People are provided both self-identity and an illusion of autonomy through the (mis)recognition of themselves, so that each can function according to the existing social order’s needs: ‘There are no subjects except by and for their subjection [to the ruling ideology]’ (Althusser 1994 : 136). Therefore, ideology responds to a transhistorical need for social cohesion and consent which, in class societies, needs as well to provide ‘justifications for the existing state of affairs to the exploited and rationalizations of it to the exploiters (If ideologies are opiates, the rulers are equally addicted)’ (Elliot 2006 : 155). Crucially, this function of ensuring social compliance applies as well to classless societies (i.e. communism): ‘In a classless society, as in a class society, ideology has the function of assuring the *bond* among people in the totality of the forms of their existence, the relation of the individuals to their tasks assigned by the social structure’ (Althusser 1990 : 28). Even in the absence of exploitation, society’s structural determinations can never become transparent for the logic of

overdetermination is universal. If ideology involves a 'deforming and mystifying representation' of reality, which in turn is 'indistinguishable from their 'lived experience'' (Althusser 1990 : 29, 25), then it follows that such deformation is itself constitutive of (what we perceive as) social objectivity, for both rulers and ruled alike.

In this respect, Althusser's main merit resides in conceiving ideological distortions as constitutive of social reality by asserting the radical impenetrability of the various social logics ultimately determining individuals' lives. The referent, to be sure, is not gone forever, but its unmediated apprehension definitely is. No longer conceived as an appendix to reality, and even less as a veil of illusion disguising an otherwise transparent social objectivity, ideological forms are now liable to be studied in its own right. However, by asserting that ideology produces subjects according to the structural requirements for self-reproduction implied by the existing social order, averting the charges of 'functionalism' was definitely not an easy task. On the one hand, if ideology shows no internal gaps in its mode of operation, it is difficult, not to say impossible, to conceive how, within this cohesive and self-reproducing social whole, internal subversion and transformation might take place. Instead, it is strictly necessary to conceive these sites of ideological inculcation (schools, religion, the press, etc.) as sites of perennial sociocultural struggle. On the other hand, it is equally difficult to conceive how oppositional ideologies might emerge and encroach themselves within the social. While in 'Marxism and Humanism' (1964) it is asserted that the 'ruling ideology is the ideology of the ruling class' (Althusser 1969 : 234), without an explicit account of how the subordinate groups might make their aspirations heard within the former, this is partially corrected in 'Theory, Theoretical Practice and Theoretical Formation' (1967) when conceding that, '[the ruling ideology] can also give rise, in certain circumstances, to the expression of the protest of the exploited classes against their own exploitation' (Althusser 1990 : 30).

In a retrospective essay on (his and) Althusser's structural Marxism, Balibar seems to have finally reached the opposite conclusion to that of Althusser: 'The dominant ideology in a given society is a specific universalization of the imaginary of the dominated, [which draws its] potential universal meaning from their belonging to the imaginary of the individuals who live the masses' or the people's conditions. (…) The mystification lies only in the denegation of a structural antagonism between the dominated and the dominant' (Balibar 1993 : 12-3). It may be argued that, at least regarding its conception of ideology, Althusserian Marxism might have come full circle. Whereas at the beginning, despite the indisputable insistence upon their relative autonomy, ideological constructions seemed somehow subordinated to structural requirements imposed by the need to keep on securing domination, in Balibar's later view it appears now implicitly submitted to the subjective yearnings of the dominated.

It is our contention that, while accepting several of the criticisms that have been voiced over the last decades regarding Althusserian Marxism, certain intuitions informing its theoretical novelty remain as valid and pertinent today as they were half a century ago. While Marxism remains an indisputable point of reference when delineating a social theory capable of apprehending the historical specificity of capitalism, some of its basic categories need to be further reconceptualized for them to constitute a valid starting point for contemporary reflections. That was, it seems to me, the Althusserian wager *par excellence*. While a new and well-defined way forward was indeed initiated by Althusser and his colleagues back in the mid-1960s, it is not less certain that such a path soon encountered many intra-theoretical blockages along the way. While some of the criticisms raised might have been satisfactorily addressed, at least when considered in isolation, the truth is that many of the issues raised by Althusser remain open to date.

We are still concerned with how to conceive ideological expressions/mechanisms so that they are neither immune to the co-evolution of social processes governing a society's material reproduction, nor ultimately subservient to the structural needs imposed by the latter. Similarly, we aim at conceptualizing the economy neither as an autonomous sphere self-governed by its inner laws of motion, nor as a disaggregate set of interactions free from structural conditioning, but as a totality which, despite not being a fully-closed entity, nonetheless remains a coherent whole susceptible of undergoing dissolution as well as recomposition. While these issues, we believe, have not been satisfactorily addressed in its entirety, we remain equally skeptical regarding our own capacity to do so. Simultaneously acknowledging the open-ended nature of the debate as well as the utmost relevance it nevertheless still carries, represents the position that we, following Resnick and Wolff (1987), have termed the 'middle ground'. In order to ground our own theoretical stance, we will follow two distinct 'post-Althusserian' avenues which we believe can provide several fruitful insights in the specific direction we are strenuously heading to, namely, Social Structures of Accumulation Theory and Post-Marxist Discourse Theory. While the former firmly remains within the political economy tradition, the latter represents a clear and self-conscious depart from it. Before analyzing both in detail, the next chapter will attempt to justify the reasons underlying their joint consideration as well as the various benefits that are to be expected were that enterprise satisfactorily accomplished.

2. SETTING THE TERRAIN. RADICAL POLITICAL ECONOMY AND POST-MARXISM.

The objective of this chapter is to set up a dialogue between two somehow 'post-Althusserian' strands of thought whose common integration might yield, we believe, interesting insights in relation to the social theory we intend to bring forward. On the one hand, the 'Social Structures of Accumulation' (SSA) Theory, arguably the most interesting element of the whole tradition of Radical Political Economy, which was first developed by David Gordon, Richard Edwards and Michael Reich in their seminal book *Segmented Work, Divided Workers* (1982). On the other, the 'Post-Marxist' discourse-theoretical approach first laid down by Ernesto Laclau and Chantal Mouffe in their co-authored book *Hegemony and Socialist Strategy* (2001 [1985]). In a nutshell, our argument is that the explanatory power of the post-Marxist approach pioneered by Laclau and Mouffe might be seriously flawed by not paying due attention to capitalism's internal dynamics, while SSA theory's attention to the institutional requirements imposed by capitalist accumulation processes might be equally demeaned by the over-simplistic approach to politics more often than not adopted in the literature. This chapter will be organized as follows. The following section will outline the main features of the social theory we are striving for. The second section will deal with several points of convergence between the above-mentioned approaches that, in our view, favor their joint consideration. Finally, the last section will outline those theoretical aspects identified in each

where a sustained dialogue among the two strands of theory might prove the most fruitful.

2.1 IN SEARCH OF A MODEL.

We live in capitalist societies, or, rather, in social formations where capitalism is the dominant mode of production.[9] Any comprehensive social theory must, in one way or another, account for this. For such societies to function correctly, a certain degree of submission to capitalism's inner logics is needed, as well as a generalized acceptance of the various worldviews the former helps generate. Ubiquitous as it may be, the inherently conflictive substratum of its outer appearance needs to be controlled, pacified, ordered and organized, as the smooth functioning of capitalism crucially depends on its capacity to generate (or, at least, not to do away entirely with) various social consensuses, which ought to foster generalized acquiescence regarding the unequal share of rights and duties allotted to each. Every social order is, to some extent, caught into this duality: it must safeguard capital accumulation requirements while also fostering its widespread acceptance. Crucially, while both objectives might go hand in hand during certain periods, their ultimate incompatibility will be made manifest at others. Historical becoming under capitalism is marked by this perennial alternation, neither an upward march through a linear continuum, nor a purely chaotic succession of disparate events. A nuanced treatment of both its diachronic evolution and its synchronic heterogeneity therefore remains one of our most desired goals.

Our choice of theoretical frameworks responds precisely to this duality between accumulation and consent that every capitalist society

[9] This text is plagued with expressions such as 'capitalism' or 'capitalist societies'. We kindly beg the reader to replace them in their mind, whenever she encounters them, by the more acute but also more cumbersome expression, 'social formations where capitalism is the dominant mode of production'.

continually confronts. On the one hand, the recognition of the various structural constraints operating upon co-evolving social processes derived from the dominance of the capitalist mode of production within the society under scrutiny arguably represents the foremost theoretical terrain of SSA theory. On the other hand, the study of how social consensuses may be developed from the heterogeneous magma of expectations, identities and struggles the social ultimately consists of is the chief concern of Laclau and Mouffe's post-Marxism. Whether a 'middle ground' position exists among them, one that succumbs neither to a purported unitary force of capitalism nor to the phenomenal diversity of the social, is something we expect to discover throughout these pages. Meanwhile, let us assume it does.

2.2 SOME COMMON THREADS.

Several commonalities between SSA theory and post-Marxism can be identified, we contend, which constitute the basis upon which a dialogue between the two can be initiated. Namely, a common social context underlying their emergence, marked by the widespread of novel social struggles; a shared commitment to develop a new emancipatory political program for the Left; a similar concern with the need to challenge teleological and uni-linear understandings of historical becoming; and, lastly, the presence of more or less implicit Althusserian roots in both their theoretical approaches. We will analyze each in turn.

2.2.1 Overcoming Fragmentation. A Common Social Context.

Both approaches emerged during the early 1980s, within an intellectual landscape ultimately marked by the gradual remittance of the revolutionary impetus that had characterized the previous decade in several Western countries. Perhaps inadvertently at the time, the

respective elections of both Ronald Reagan in the U.S., and Margaret Thatcher in the U.K. in the immediately previous years were already signaling a receding tide regarding existing possibilities of radical and progressive social transformation. In this scenario, both strands of theory emerged as a response to what they perceived as a context of twofold 'fragmentation'. On the one hand, the labor movement appeared increasingly internally divided at the time, with trade unions being under attack almost everywhere in the West, while a diversity of labor arrangements was gradually coming to the fore. On the other, not only labor appeared increasingly heterogeneous, but a wide variety of struggles, from feminism to environmentalism, from sexual minority's rights to struggles against racial oppression, were increasingly challenging the centrality of the capital-labor conflict. Therefore, the centrality of the working class in the opposition to the capitalist system needed to be deeply questioned: Orthodox Marxism's thesis regarding the gradual polarization and simplification of the social structure could no longer be maintained.

Both interventions were indissociably theoretical and political. In Gordon et al.'s (1982 : 2) words: 'Workers and the labor movement in the United States have not yet been able to articulate and advance a program for the resolution of the crisis that defends and furthers not only their interests but also the general welfare, [because] the American working class is internally divided along many economic, political and cultural dimensions'. Laclau and Mouffe (2001 : 2) express themselves along similar lines when they assert that '[w]hat is now in crisis is a whole conception of socialism which rests upon the ontological centrality of the working class, (…) and upon the illusory prospect of a perfectly unitary and homogeneous collective that will render pointless the moment of politics'. While their political motivations definitely converged, and the politico-intellectual climate where they emerged was virtually the same, it must be noted, however, that their common motivation, that is, a critique of

essentialist economicist and determinist versions of Marxism, was conducted at different levels.

The SSA approach did share with more orthodox accounts of Marxism a primary concern with the various processes co-governing socio-material reproduction, in turn grounding their analyses of working-class's growing political disunity upon earlier studies on the segmentation of the production process itself (e.g. Doeringer and Piore 1971; Edwards, Reich, and Gordon 1975; Edwards 1979): 'In this book we argue that one we cannot understand current divisions in the U.S. working class without tracing the character and effects of labor segmentation, of structural and qualitative differences in the jobs and labor markets through which workers secure their livelihood' (Gordon, Edwards, and Reich 1982 : 2). Laclau and Mouffe, on their part, shifted the focus of their analysis to the 'discursive' level, by asserting that the political unity of the working class is always, and of necessity, a result of a constitutive process of political mediation and articulation so that, it follows, what remains in need of explanation are not the reasons underlying heterogeneity but unity instead:[10] 'The divisions within the working class are therefore more deeply rooted than many wish to allow, and they are, to a certain extent, the result of the workers' own practices. They are political, and not merely economic divisions' (Laclau and Mouffe 2001 : 82). In sum, while the SSA theorists try to ground upon the divisions affecting labor at the superstructural level upon the existing segmentation of the production process itself, Laclau and Mouffe start instead by considering the former as the constitutive one.

[10] It must be noted that Laclau and Mouffe (2001 : 81-2) praised *Segmented Work, Divided Workers* for challenging Harry Braverman's (1974) homogenization thesis by incorporating non-economic variables into their analysis of the labor process. Gordon et al. (1982 : 21) do credit as well Laclau's (1979) previous work for having challenged mechanical-determinist accounts of historical change.

2.2.2 Democracy. Reconceptualizing Emancipation.

Intimately linked to their stark opposition to determinist versions of Marxism, as well as to the 'polarization' thesis that stands as the former's implicit corollary, is the need to come up with a new emancipatory political program capable of responding to the plural motivations underlying social contestation at the time. If the heterogeneity of the social world is deemed to be neither a historical anomaly nor a merely transitory historical stage, a novel horizon for political struggle is needed that, while recognizing the irreducible plurality of hopes and motivations animating them, remains nonetheless capable of advancing them all. The name this political program will take will be that of 'democracy'. As Diskin (1992) has correctly pointed out, democracy stands for a 'name for a political project that takes the relationship among economic life, political action and human consciousness as its object of study', that is, precisely the unity that classical Marxism had taken for granted, an unity which both theoretical projects show to be ultimately spurious.

Regarding the SSA school, despite their original contributions being grounded upon the assumption that a further stage of capitalism would necessarily involve a greater statist control of the economy, thus implicitly dismissing the existing transformative potential within capitalism itself, their subsequent works do show an increasing awareness that this might eventually prove not true, thus asserting their commitment to a radically democratic project (e.g. Bowles, Gordon, and Weisskopf 1983, 1990). In Reich's (1993) words: 'We offered to these distinct movements [i.e. civil rights, feminism, environmentalism and Third-world national liberation], and to workers, an analysis that contained a strategic political perspective: their separate oppressions had common roots. Instead of seeing their interests as in conflict, we argued that a coalition among them that emphasized economic democracy would advance them all'. Their

democratic program was anchored around both a re-embedding of the economy into the political process and a higher degree of workers' control of the labor process. A more democratic economy would have been not only a good feature *per se*, but it was supposed to increase economic efficiency as well, for it would avoid incurring into several expenditures derived from the need to reinforce authority and compliance in the workplace and beyond (Bowles, Gordon, and Weisskopf 1990).

Laclau's conception of democracy is situated at a more ontological level and further from the actual conditions of the labor process in a capitalist economy. In their program, which they term 'Radical democracy', Laclau and Mouffe try to do away with the old-fashioned dichotomy between capitalism and socialism by recognizing the irreducible plurality and heterogeneity of struggles and identities in contemporary societies, which are to be articulated through a process of political construction, under which no particular struggle is to be privileged with regards to its emancipatory potential. It follows that the so-called 'new social movements' are irreducible to class struggle, so that any further transformative movement will only emerge out of fully recognizing its ultimate heterogeneity.

In sum, both strands of theory propose a new democratic coalition encompassing a wide variety of struggles as a *sine qua non* condition of progressive social transformation within capitalism. At first sight, it would appear that whereas Laclau and Mouffe offer a more philosophically grounded analysis, SSA theorists offer a more practical and concrete application of these ideas. There is, however, a deeper distinction to be made regarding their understanding of the heterogeneity of struggles. Whereas the SSA theorists would contend that their 'separate oppressions had common roots', so that their apparent heterogeneity would emanate from the common principle of them being *positively* integrated within the capitalist mode of production, an anti-capitalist stance therefore being a logical moment

of their common project, Laclau and Mouffe would posit their radical heterogeneity as being irreducible to any common ground. The post-Marxist project would then assert that the unity of these struggles cannot be grounded on any common root but has instead to be produced through a process of articulation, whose commonalities would be *negatively* constituted as a result of their common opposition to the *status quo*.

Moreover, another similarity among their respective understandings of 'radical democracy', we contend, may be found in the common grounds upon which they reject Marxism *tout court* when elaborating their (purportedly novel) political logics. For both Laclau and Mouffe (2001) and Bowles and Gintis (1986) reduce Marxism to its most essentialist-mechanicist in order to ground their own defenses of 'radical democracy'. According to the former: '[Marxism's] starting-point and constant leitmotiv is clear: the subjects are social classes, whose unity is constituted around interests determined by their position in the relations of production' (2001 : 118). The latter express themselves along strikingly similar lines when they assert: 'Marx did not simply overlook the problem of choice, of course. He believed that interests are related to social structure in a relatively straight-forward manner: the structure of exploitation gives rise to a corresponding structure of objective interests' (1986: 21-2).[11] It seems that, by conflating Marxism with Stalinism, their respective theories might prevent an accurate apprehension of capitalism as comprehensive system of domination, thus obtaining an understanding of freedom deeply dissociated from the socio-economic matrices of power co-governing people's choices (Brown 1995).

[11] Astonishingly, they draw the conclusion that 'Classical Marxism is theoretically anti-democratic in the same sense that any political philosophy that fails to conceptualize the threat of state authoritarianism, and the centrality of privacy and individual liberty to human emancipation, provides a haven for despots and fanatics' (1986: 20).

2.2.3 Temporal Dynamics under Capitalism.

As part of their critiques of determinist versions of Marxism, both strands rejected eschatological conceptions of History grounded upon the presumption of an inevitable implosion of capitalism out of the self-unfolding of its own internal contradictions. Instead, what needed to be accounted for was the coexistence, within capitalism itself, of periods characterized by relative institutional stability and others marked by intense social change and systemic transformation. In truth, it may be argued that Laclau and Mouffe's (2001) theoretical apparatus enables a very complex apprehension of synchronic political interactions but suffers instead from a lack of conceptual means to properly theorize diachronic transformation. In short, *Hegemony and Socialist Strategy* lacks a concept of 'History'.

The most comprehensive account of historical processes is to be found instead in Laclau (1990). Every social order is there understood to be a temporary and contingent articulation of elements whose precarious nature will only be revealed in exceptional moments. Thus, history will consist of a succession of periods of institutional stability, marked by the 'naturalization' of its composing institutions and by the relatively pacific coexistence of different groups under those social arrangements, followed up by others where the ultimately contingent nature of the former is revealed, so that a period of intensified struggles for the redefinition of the next 'sedimented' stage becomes its necessary corollary.

In *Segmented Work, Divided Workers* (1982), in a similar manner, Gordon et al. give an account of the periodization of U.S. capitalism by positing a succession of periods characterized by widespread institutional stability, which in turn satisfy the necessary requirements of predictability and low uncertainty that foster rapid accumulation, followed up by periods of institutional disintegration due to the exacerbation of the internal contradictions carried upon by the former

period, where accumulation and growth become sluggish, thus opening up a period of political struggle among contending groups to define which the main features defining the next period of economic expansion will be. Gordon et al. refer to the former periods as 'consolidation', similar to what Laclau (1990 : 34) understands by 'sedimentation', and to the latter as periods of 'exploration/decay', consisting in the temporal coexistence of a decaying SSA and the search for a new one, which would correspond to Laclau's 'reactivation', where the political and contingent nature of any social order is displayed while agents enter into a dispute to redefine the contour of the new era.[12] Both accounts can readily be referred back to Gramsci's (2013 : 281) well-known *motto*: 'The crisis consists precisely in the fact that the old is dying and the new cannot be born; in this interregnum a great variety of morbid symptoms appear'.

In these periods of institutional redefinition, the contending actors engage in a common struggle to delimit the conditions and characteristics of the following phase of socio-institutional stability. In Laclau's framework, the decomposition of a given institutional structure is prompted by the accumulation of heterogeneous demands, arising from various separate groups, which the institutional order cannot simultaneously satisfy. These demands can be articulated into a common political project through the operation of the *logic of equivalence* (Laclau and Mouffe 2001 : 127-34; Laclau 2005a : 77-83), through which radically heterogeneous demands find some common ground for their political project in their shared opposition to the existing social order, potentially coalescing into a new hegemonic bloc capable of challenging the very definition of the social through undertaking a hegemonic struggle. On their part, albeit with a different

[12] Laclau takes the concepts of 'sedimentation' and 'reactivation' from the work of Edmund Husserl. While the former refers to 'routinization and forgetting of origins' of social practices/institutions, the latter refers to the moments where the former's ultimate contingency is made apparent, thus forcing (and being forced by) a process of social contention for its redefinition.

vocabulary, the necessity of bringing forward a political coalition among heterogeneous agents in order to set up the conditions for a new period of stability is also acknowledged in the SSA literature. In their seminal work, Gordon et al. (1982 : 28, 32) remark that:

> 'The manner in which the ensuing crisis is resolved is not fully endogenous, for the crisis exhacerbates conflict over the structural reforms that are necessary for a recovery, and the resolution of this conflict involves unpredictable political elements. [Moreover,] structural conflicts arising from relations among races, genders, and nations, for example, are also likely to have their own relatively independent logic and dynamics. Such forces are not unimportant or even necessarily less important than those we address in our analysis'.

A very similar formulation is offered by Weisskopf (1981) in an earlier article: 'A new SSA depends to a large extent upon the political actions of different classes confronting each other'. The resolution of the struggle can result in either a coalition compromise or a one-side victory (Kotz 1994a; Lippit 2010). Therefore, while the institution of a new SSA is greatly affected by the political actions adopted by the capitalist class, it is also to a large extent the unintended result of the balance of forces in struggle.

In sum, both theoretical endeavors aim at breaking with one-sided narratives of economic development by recognizing the primacy of politics over the economic in times of organic crisis. However, whereas SSA theory acknowledges the lack of self-sufficiency of the accumulation process to sustain itself permanently, thus grounding their political analyses upon the various restrictions imposed by the functioning of capitalist processes upon the very possibilities of institutional transformation, Laclau ultimately does away with any

notion of a co-evolving economic structure, thus placing his analyses into a sort of institutional vacuum utterly unable to properly apprehend the structural restrictions imposed by capitalist processes. Moreover, while the domain of contingency is often not acknowledged in its full right in SSA theory's schemes of diachronic social transformation, Laclau situates the former center stage, in turn losing track of how capitalism's evolution is ultimately temporally patterned, however loosely and imperfectly. While SSA theory's pitfalls in that respect will be explored in greater detail in Chapter 4, Laclau's uneasiness with political economy will be critically scrutinized in Chapter 3. Again, it is expected that some sort of 'middle ground' can be found by placing them both into the same theoretical arena.

2.2.4 Post-Althusserian Avenues.

The last point of convergence between SSA theory and Laclau's work we would like to point out refers to their shared Althusserian influences. While Laclau's early writings were clearly (and self-consciously) inscribed within an Althusserian problematic, the inclusion of the SSA literature within the post-Althusserian family might result more controversial. Laclau's criticism and reformulation of some Althusserian concepts will be examined in much greater detain in the next chapter, so that we will limit ourselves to provide an outline without critically exploring them in depth.

Laclau (and Mouffe)'s (2001) 'anti-essentialist' revision of the Marxist canon finds in Althusser's work his last stop. While Althusser, they argued, paved the way for a reconstruction of Marxist theory along strictly non-essentialist and non-determinist lines, he eventually ended up embracing Marxist essentialism through the back door. Two concepts are said to indicate, respectively, Althusser's advancement and retreat, namely, 'overdetermination' and

'determination in the last instance by the economy'. This is, in its most condensed form possible, Laclau and Mouffe's appraisal of Althusser. Laclau and Mouffe's (2001 : 97) wager was that 'by radicalizing some of its themes in a way that will explode its basic concepts' a more fertile ground might emerge that would render possible the reconstruction of Marxism along Laclau and Mouffe's desired lines. The category of 'overdetermination' is praised because it helps conceptualize the social as constituted like a language (i.e. a symbolic order), referring to the metaphoric/metonymic displacements of meaning within the socio-symbolic space. However, this potentially productive movement is counteracted by Althusser' insistence upon the 'determination in the last instance by the economy', which, in Laclau and Mouffe's view, implies reintroducing through the back door the essence-appearance dichotomy despite Althusser's insistence in transcending it. Whether or not this is a correct reading of Althusser's theoretical stance is something we will explore in detail in the pages that follow.

At this point, it suffices to indicate two aspects of Althusser's social theory which have remained utterly relevant in Laclau's later works. Firstly, the emphasis that ideology deformations are constitutive of social objectivity is maintained. The trans-historical character of ideology, in Althusser's terms, is maintained by Laclau in order to assert the impossibility of tracing back any social fact/expression to any sort of ultimate literality. However, *contra* Althusser's insistence upon a structure that only manifests itself through its effects, but which remains a structure nonetheless, Laclau denies the very possibility of finding any sort of underlying referent that would account, in the last instance, for the observed phenomenological appearance of the world. In Althusser's view, ideology functions by providing subjects the *necessary misrecognition* of its actual conditions of existence, according to the functional requirements for systemic reproduction: 'what is misrecognized is the

principle of social structuration as such, the closure operated by any symbolic system' (Laclau 1996d : 204). Althusser contends that, from the vantage point of scientific practices, the inner workings of ideology can be ultimately unveiled, an unmediated access to the real thus being a possibility to whoever finds himself equipped with the appropriate conceptual means. Laclau will also maintain an understanding of ideology as a constitutive distortion, but nevertheless will emphatically deny the very possibility of an extra-ideological locus: in this sense, all critique of ideology will be necessarily intra-ideological.

What, therefore, does ideology consist of according to Laclau? The ideological effect *par excellence*, Laclau defends, is precisely the belief that such an extra-ideological vantage point ultimately exists, that is, the presumption of an unmediated and objective access to the actual mechanisms co-governing social life: 'It is precisely the assumption of this 'zero level' of the ideological of a pure extra-discursive reality, which constitutes the ideological misconception *par excellence*. (…) This is the ideological effect *strictu senso*: the belief that there is a particular social arrangement that can bring about the closure and transparency of the community' (Laclau 1996d : 202, 206). In sum, it seems that Althusser's self-purportedly extra-ideological position, in Laclau's view, would be the quintessential ideological stance.

The second line along which Althusserian concepts are 'radicalized' by Laclau refers to Althusser's understanding of modes of production as 'combinations' (*Verbindung*) of historically-invariant elements. Laclau's criticism proceeds here along two separate levels. On the one hand, the very notion of a closed, self-sufficient and self-reproducing structure is deemed to be an ideological notion at its purest. Instead, Laclau postulates the existence of contingent and precarious 'totalizing' effects aiming at providing a provisional closure to the free-play of differences, so that signification is made

possible but, simultaneously, continually thriving towards its own self-subversion. While an entity's conditions of existence are nothing but *logical* conditions of existence, its satisfaction ought not be included into such entity's own definition, for 'a relation between concepts does not imply a relation between the objects specified in those concepts' (Laclau and Mouffe 2001 : 102).

Therefore, Laclau rejects the notion of self-reproducing totalities in favor of 'totalizing' effects derived from hegemonic attempts to provide some sort of contingent form of closure. The nature of the ensuing (necessarily transient and incomplete) totality would thus be dependent upon the particular hegemonic relation that creates an exterior, in relation to which a signifying interiority can be generated. *Contra* Althusser, such precarious totality cannot endlessly self-reproduce itself as it constitutively depends upon an exterior which will forever remain subject to contention and dispute: 'The problem, however, is that the very possibility of signification is the system, and the very possibility of the system is the possibility of its limits. (…) Thus, we are left with the paradoxical that what constitutes the condition of possibility of a signifying system -its limits- is also what constitutes its condition of impossibility' (Laclau 1996c : 37). Moreover, Laclau's criticisms are directed not only to the nature of the relations existing among historically-invariant elements but also to the self-identity of the elements themselves, for deconstructing the former without questioning the identity of the latter would mean, in Laclau and Mouffe's (2001 : 102) happy expression, merely '[moving] from an essentialism of the totality to an essentialism of the elements, [just replacing] Spinoza with Leibniz'. Not only are the relations among objects contingent, but contingency affects as well the very identity of the objects themselves. Their own identity is affected from the relations they enter into, so that, in the end, both the relations existing among the various elements and the very constitution of the elements themselves ought to be conceptualized at the same ontological level.

The name this relation will take will be 'articulation': 'We will call *articulation* any practice establishing a relation among elements such that their identity is modified as a result of the articulatory practice. The structured totality resulting from the articulatory practice, we will call *discourse*' (Laclau and Mouffe 2001 : 105, italics in the original). In sum, it is precisely this 'affirmation of the incomplete, open and politically negotiable character of every identity' what, in Laclau and Mouffe' (2001 : 104) view, Althusser's logic of overdetermination was ultimately intended to signal. Before examining whether this is a correct reading of Althusser's work, let us first turn to the potential 'post-Althusserian' nature of SSA theory.

To my knowledge, no theoretical intervention has yet explored the nature and extent of SSA's theory Althusserian heritage. When accounting for its origins, and the theoretical current underlying it, emphasis is generally put upon Baran and Sweezy's Marxism, Doeringer and Piore's early studies on Labor Market Segmentation, Braverman' thesis regarding the gradual de-skilling of labor under capitalism, or the long-cycles' tradition associated to, among others, Kondratiev or Mandel (e.g. Barceló 1998; Coutrot 2008). It is our contention that, while perhaps not explicitly acknowledged, a certain Althusserian imprint can also be identified within SSA theory's theoretical corpus.[13]

It may be argued that certain theoretical traits of the SSA approach find a direct ancestor in Althusser's Marxism. Firstly, an emphasis upon a holistic vision of social reality that, notwithstanding a more acute concern with the vagaries of the capitalist production process, nevertheless finds the latter inextricably linked to the remaining aspects of the social formation under consideration (i.e. in

[13] We draw extensively upon Lipietz's (1987, 1993) account of Althusser's influence upon the French Regulation School. The existing parallelisms between SSA theory and the Regulation School have been well-documented elsewhere (e.g. Kotz 1994b; Mavroudeas 2006; McDonough and Nardone 2006).

Althusserian terms, its 'conditions of existence'). Secondly, an understanding of capitalist activity as dependent upon an ensemble of social relations, ultimately irreducible to merely passive reflections of the production process. In the last instance, that which provides coherence to the resulting whole are but the relations of complementarity and mutual co-determination emerging among its various components at a given time and place. Moreover, these various relations constituting the social totality are also potential sites of social contradictions, whose successful containment proves equally relevant for the aforementioned totality's self-reproduction as those internal to the capitalist economic process itself.

However, there are also several dimensions along which SSA theory can be said to have had gone beyond Althusser (in this regard, the French Regulation School has also proceeded in a similar manner). Firstly, SSA theory has in common with Althusserian Marxism an emphasis upon synchronic institutional assemblages as a means to construct a diachronic periodization of history. The following passage, from Balibar's contribution to *Reading Capital* (2009 : 228, italics in the original), is instructive in that respect:

> [T]wo principles on which is based the transformation of history into a science: the principle of *periodization* and the principle of the *articulation of the different practices* in the social structure. One diachronic principle, it seems, and one synchronic principle. The principle of the articulation of practices refers to the (…) mechanism of 'correspondence' in which the social formation is presented as constituted out of different levels. (…) As for periodization, it distributes history according to *epochs* of its economic structure.

SSA theory proceeds to reformulate, albeit implicitly, Althusser and Balibar's theoretical program along two interrelated lines. On the

one hand, the emphasis is shifted from a purported periodization of history in terms of successive modes of production to an attempt to offer a periodization internal to the capitalist mode of production itself (e.g. McDonough 1994a, 2011). Instead of conceptualizing modes of production as historically-invariant combinations of discrete elements, the focus is on the various *stages* succeeding each other *within* 'capitalist' history. On the other hand, Althusser's rigid scheme of practices is abandoned in favor of a consideration of institutions as the elements now to be articulated into coherent wholes. In sum, the identification of successive SSAs is to be the element through which historical periodization will be attempted. However, *contra* Balibar, the elements will no longer be historically-invariant (i.e. 'economic base, legal and political forms, an ideological forms'), but historically contingent instead: 'Capitalism does not always function in the same way; there are several solutions, several possible forms of reorganization at the time of its great crises and the choice very much depends on the forms of institutionalized compromise which the dominating classes are capable of proposing or imposing' (Lipietz 1993 : 114). Moreover, Althusser and Balibar's rigid schemes of 'combination' are replaced with a certain theoretical agnosticism regarding both the elements and the nature of the ensuing relation among them (see Kotz 1994a). Therefore, the door is open to study the different instantiations of capitalism in different temporal and geographical contexts. In sum, no longer capitalism in the singular, but plural capitalisms instead (McDonough 2015).

Secondly, the above-mentioned bias towards functionalist schemes of social reproduction was to be forcefully opposed. While Althusser's emphasis upon the structure's self-reproduction might have been an appropriate antidote against mechanicist-teleological versions of Marxism, a hypostasis of reproduction was an ever-present risk. While the latter might have appeared historically congruent in the mid-1960s, the turbulent social climate of the next two decades turned

it into a theoretical-historical aberration. Lipietz's (1993 : 101) words, albeit referred to the Regulation School, seem equally pertinent in relation to the SSA approach: 'It is precisely in a return to the contradictory character of social relations, which inhibits their reproduction, and in taking into consideration the conscious element, the active role of "representation" in reproducing itself, that the approaches based on "regulation" found their origin'. Whereas in Althusser and Balibar's account fully-fledged historical transformation was implicitly deemed to be the exception rather than the norm, SSA theory shifted its focus from the necessary reproduction of capitalism's conditions of existence to its intrinsic crisis-prone nature. Therefore, recurrent capitalist crises were now to occupy center stage, so that it was self-reproduction, rather than crises, what stood in need of theoretical explanation and scrutiny.

Two lines of inquiry were thus opened up, in strict relation with Lipietz's words quoted immediately above. On the one hand, the contradictory character of social relations is stressed, now including commodity circulation as a potential site of capitalist crises. It is implicit in the Althusserian understanding of the workings of capitalism that market relations are of secondary importance in order to apprehend the diachronic evolution of the structure, so that the only potential source of economic crises would be found in the production process itself (Lipietz 1979; Bustelo 1994). It was thus implicitly assumed that the surplus-value generated in the production process was always-already unproblematically validated by the market. However, this need not be the case. A self-conscious study of the contradictory relations embodied in the commodity form; the structure of markets, and hence the nature of competition among individual capital units; the nature and modality of state involvement in the economy; and, crucially, the very possibility of crises of surplus-value realization, are thus crucial elements of capitalist economic activity

which, in the hands of SSA theorists (and 'regulationists' alike) were to gain analytical prominence.

On the other hand, political subjectivity was to be radically recast under SSA schemes. Agents were no longer mere passive bearers of social relations whose ultimate meaning was to remain forever foreclosed to the former. Ideological interpellation was no longer totally successful. Indeed, the emphasis now fell upon the means through which the capitalist class managed to obtain consent and compliance, not only from workers, but also from the various groups present in society at a given time and place. The former, crucial to their analysis of the historical evolution of labor market segmentation dynamics, occupied center stage in the Gordon et al.'s (1982) seminal work. The latter, in turn, were further explored in the power-theoretic version of SSA theory championed by Bowles et al. (1983, 1990). In sum, non-compliance with capitalist arrangements was deemed to be analytically primary, so that what needed to be accounted for were the various strategies employed to contain and channel such dimension of conflict while simultaneously satisfying capitalist requirements.

In sum, both Laclau and the SSA theorists aimed at counteracting Althusserian Marxism's functionalist traits by giving much greater scope to the domains of historical contingency and human subjectivity in their analyses. They did also try to retain Althusser and Balibar's emphasis upon 'combinatory' logics to apprehend systemic reproduction and change. However, they differed sharply in their respective attempts to transcend Althusser's perhaps too monolithic understanding of capitalism. While SSA theorists aimed at providing a more nuanced treatment of 'actually-existing' capitalism by exploring the different modalities in which it could manifest itself, Laclau opted instead for dismissing the notion of capitalism altogether as a valid object of analysis, subsuming its historical specificity into an almost undifferentiated magma of inter-textuality. While the former replaced

Capitalism with capitalisms, the latter rejected the notion of mode of production altogether.

2.3 A NECESSARY DIALOGUE. TOWARDS A FRUITFUL SYNTHESIS.

Considering the similarities between the work of Laclau and SSA theory pointed out above, there are a number of dimensions where a dialogue between the two might not only correct certain shortfalls identified in each, but also contribute to ground the social theory we are here striving for. In the previous section, the importance of Laclau's intervention to overcome some of the difficulties emerging, on the one side, from the historical situation of the Left in post-68 Western capitalist societies and, on the other, from the interiority of essentialist and economicist versions of the Marxist paradigm, has been underlined. However, due to his emphasis upon the category of 'discourse', from which the constitutive dimension of hegemony regarding the social structure is derived, many have complaint against the little relevance that processes of material reproduction seem to have in his theoretical framework (e.g. Geras 1987; Diskin 1992; Veltmeyer 2000; Lewis 2005).[14] Neglecting the internal dynamics of capitalism's material reproduction runs the risk of not subverting, but merely inverting, the very terrain upon which classical Marxism was build, for, as Rustin (1988) has rightly pointed out, it would mean to 'substitute an equally one-dimensional theory of ideological determination for the monistic theory of economic determinism', thus coming too near to a one-dimensional idealism too reminiscent of the hard-lined materialism Laclau wanted to do away with. Hence, while it helps to conceptualize the importance of non-class struggles,

[14] I am well aware that the Laclauian category of 'discourse' is not equivalent to 'speech' or 'ideas', so that I am definitely not arguing that his is an idealist position. However, by dissolving every and any (meaningful) human practice under the category of 'discourse', he might me lacking the appropriate conceptual means to properly appraise the nature of socio-material reproduction as distinct from other social practices.

Laclau's position remains vulnerable to criticisms such as Slavoj Žižek's (2000 : 98):

> Postmodern politics definitely has the great merit that it 're-politicizes' a series of domains previously considered 'apolitical' or 'private': the fact remains, however, that it does not in fact re-politicize capitalism, because the very notion and form of the political within which it operates is grounded in the 'de-politicization' of the economy.

In this respect, referring the multiplicity of the social back to the necessary requirements for accumulation, thus introducing an element of materially-grounded commonality into Laclau's heterogeneous struggles, turns out to be a promising route in order to situate the specificities of the capitalist mode of production at the very center of the analysis. By focusing upon how a given institutional structure divides and structures the working population (either paid and/or unpaid), one can gather a better grasp of the elements of sameness in their various modalities of oppression, without this leading to a straightforward reduction of every social difference to the expression of one single essence.

In this respect, SSA theory's analytical concern with the institutional requirements imposed by a well-functioning accumulation process, together with its emphasis upon the inherently conflictual nature of capitalist relations of production, might help introduce a certain degree of hierarchy within the multiplicity of institutions and practices making up the social whole, i.e. an immanent criteria organizing, at least for heuristic purposes, the otherwise uncontrolled free play of differences and identities. However, the truth is that no clear agreement has yet been reached within the SSA literature regarding what the exact criteria should be in

order to introduce such a hierarchy. The initial formulations of SSA theory emphasized, in Keynesian fashion, the necessary requirements of stability and predictability that capitalists *qua* class require in order to provide a high rate of accumulation (Gordon, Edwards, and Reich 1982 : 42). Subsequent formulations have criticized the emphasis put upon the quantitative aspects of the accumulation process, arguing in favor of paying deeper attention to its qualitative aspects instead. Thus, others have pointed out the crucial role institutions play in order to maintain and/or enhance the power of the corporate class (e.g. Bowles, Gordon, and Weisskopf 1983, 1986, 1990); the relevance of institutions to regulate conflicts inherent to capitalist production (e.g. Kotz 1994a; Wolfson 2003) or the interrelationships existing among its components (e.g. Gordon 1980; Lippit 2010), in order to introduce some conceptual hierarchy upon which to analyze capitalism's institutional diversity. Therefore, the emphasis placed by SSA theory either upon the requirements imposed by capitalists in order to foster a vigorous rate of accumulation, or upon the necessary containment of social conflict so that an effective appropriation of surplus-value can be safeguarded, permits grounding the analysis of institutional diversity upon the specificities of the capitalist mode of production, while at the same time not falling prey of a reductionist vision of its functioning, as the necessarily plural interconnections between the processes of accumulation and surplus-value extraction and the institutional environment surrounding it are duly acknowledged.

In sum, Laclau is right in denying any necessary connection between the social and the political, i.e., the existence of any direct transposition between class in-itself and class for-itself. While it is certainly true that the social conditions leading to the emergence of social antagonisms cannot be directly apprehended from an isolated analysis of social processes, it should neither be derived from that proposition that the notion of class for-itself remains the only one worthy of theoretical analysis. While Laclau is definitely right in

questioning the attribution of any sort of ontological priority to the social relations of production when appraising multifarious political expressions, he might be falling prey of an inverse monistic essentialism by doing away with the domain of material relations altogether.

However, despite SSA theory recognizing the primacy of political struggle and social indeterminacy during the periods of SSA's simultaneous demise and construction, the very process through which this struggle is conducted appears to be relatively under-theorized, most positions ultimately ranging from stark theoretical agnosticism to blunter economic determinism. The early SSA literature had already acknowledged the unpredictability of further institutional construction in times of systemic crisis, which would ultimately be depending upon the relative balance of class forces. For instance, Weisskopf (1981 : 13) asserts that 'compared to the endogenous nature of the crisis, the subsequent recovery is usually more autonomous. (...) What kind of new structure eventually gets established depends to a large extent upon the political actions of different classes confronting each other'. Later contributions, such as Lippit (2010 : 66) have expressed themselves in a similar manner when asserting that 'in understanding the processes of SSA formation and collapse, it is helpful to recognize that non-class as well as class struggles play a role, and to recognize the manner in which both processes are over-determined'. However, the truth is that there is a lack of theoretical development within the SSA literature regarding how non-economic demands and expectations are to be related to the successful appropriation of surplus-value on the side of capital. Intimately connected to this last point, albeit perhaps even more important to our declared purposes, there is also an under-theorization of how political actors are constituted in periods of heightened struggle among contending actors derived from a SSA's decomposition.

Most of the literature emphasizing the relevance of the balance of class forces when the need for institutional redefinition becomes insurmountable seems to assume a straightforward translation between the position of agents in the production process and their participation as political actors. As it has been argued before, last decades have seen the emergence of a multiplicity of struggles in Western Capitalist societies, irreducible to class struggle, but of whose articulation the viability of any wide-ranging political project depends. If an SSA is understood to comprehend a wide variety of institutions, not reducible to those directly affecting the structure of the labor market and the organization of the labor process, the heterogeneity of struggles has to be acknowledged if any prediction about the direction of further institutional transformation is to be made.

It is at this point, we contend, that a dialogue with the work of Laclau becomes the most pertinent for SSA theory. Laclau and Mouffe's (2001 : 126) conception of *antagonism* as the 'limit' of the social, or the limit of all objectivity, is intended to challenge the centrality of the capital-labor relation as the main engine of social transformation in capitalist societies. Commenting upon the capital-labor conflict in capitalist societies, Laclau (1990 : 9) writes: 'the conflict [between capital and labor] is not internal to capitalist relations of production (in which the worker counts merely as a seller of labor power), but takes place between the relations of production and the worker's identity outside of them, [...] this constitutive outside is inherent to any antagonistic relationship'. That is, the wage-labor relation is not antagonistic in itself but can become so only on condition that it affects negatively whichever identity the agent involved might cling to outside the domain of work. However, despite the relations between capital and labor not being essentially antagonistic in nature, it needs to be acknowledged that they do contain the seeds to become so. For instance, the individual capitalist has a permanent interest in both enlarging and intensifying working-

time as a strategy for maximizing profits, which would affect negatively the worker's ability to rest and, say, spend time with her family. Whereas the emergence of an antagonistic relation does require a process of subjectification through which a relation of exploitation (i.e. one involving surplus-value extraction) is elevated into a relation of oppression, the material conditions that would render it possible are nonetheless an ever-present feature of the capital-labor relation. Therefore, in order to appraise the antagonistic nature of social relations under capitalism, close attention should be paid to how the various struggles pertaining to the production sphere are overdetermined by the multiplicity of identities outside them. The lines of fracture and struggle in the social field are multiple. While some of them are directly related to the production process, others might only touch it tangentially. However, when it comes to understand the rationality behind agents' political alignments, emphasizing the question of class struggle should obliterate no other struggle. In Laclau's (2005a : 150) words: 'A globalized capitalism creates myriad points of rupture and antagonism – ecological crises, imbalances between different sectors of the economy, massive unemployment and so on – and only an over-determination of this antagonistic plurality can create global anti-capitalist subjects capable of carrying out a struggle worth the name'.

The recent work of Victor Lippit (2005, 2010, 2014) certainly points in this direction when forcefully arguing in favor of the concept of over-determination to apprehend the modalities of interrelation between different institutional spheres partaking of the social totality. Rather that positing a single institution or event that would account for the structural integrity of a SSA, it is argued that what yields coherence and unity to a given ensemble of institutions are nothing but the existing interrelations among its constituent components: 'In considering the forces that may ultimately undermine each institution and ultimately the entire structure of which it is a part, the interaction

of these same factors [other institutions, the full array of social processes and exogenous events] must be recognized as playing a role, together with the internal contradictions that tend to arise in all institutions' (Lippit 2010 : 83). This line of inquiry, which refuses to grant any ontological privilege to any single locus or institution within the social regarding the possibility of forcing an institutional breakdown, and which underlines the necessity of considering economic together with non-economic factors, is better suited to understand the potential lines of both rupture and re-composition in a given institutional structure. In sum, while refusing to presume that subjects are already pre-given when they enter the political struggle, so that there is no direct translation of the relations taking place within the economic realm into the political arena, one should neither succumb to the postmodern tendency to dissolve all meaning of political action into an infinitely malleable web of intertextuality, but instead to investigate how capitalism does affect workers *qua* workers, women *qua* women, students *qua* students, etc.

Therefore, while SSA theory's emphasis upon the dynamics and institutional requirements of the co-evolving processes of capital accumulation and surplus-value extraction constituted a useful counterweight to Laclau's discursive approach to social dynamics under capitalism, the latter's emphasis on the irreducibility of heterogeneous struggles to that of class, and thus on the importance of articulatory practices to understand political dynamics, serves to counteract some too reductionist and economicist versions of the SSA approach. Considered simultaneously, each theory clarifies the other, countervailing some pervasive uses or interpretations. On the one hand, a voluntarist approach to politics -one that understands that the primacy of politics over economic processes is an ever-present feature, thus obliterating the constraints imposed on political action by capitalism's internal dynamics- is avoided. On the other, determinist approaches to capitalism's evolution over time are discarded, as it is

recognized that those constraints imposed by the economic process periodically come to a halt, so that its resolution is occasionally dependent upon contingent events and political action. Before attempting to offer a synthesis of the various theoretical insights outlined in the present chapter, we will first consider certain theoretical inconsistencies in Laclau's work derived from his uneasy relationship with the political economy tradition.

3. ERNESTO LACLAU'S POST-MARXISM. SOME INTERNAL PROBLEMS.

Ernesto Laclau's post-Marxist political theory has been at the center of various debates within contemporary political philosophy in recent decades. While it has offered, in our opinion, a very complex cartography of socio-political interactions in contemporary societies, it is our contention that the ultimate political value of Laclau's formulations are seriously vitiated by its difficulties to theoretically apprehend the fact that those societies Laclau has in mind are, at the end of the day and with no exceptions, societies where capitalism is the dominant mode of production. The core thesis we put forward is that the roots of Laclau's departure from Marxism are to be found, on the one hand, in the misrepresentation of the Marxist tradition he consistently puts forward in order to ground his own theoretical stance and, on the other, in his reading of Althusser's work.

This chapter will be organized as follows. The first section will offer a brief review of Laclau's theoretical evolution, starting from his early Althusserian works up until his late reflections on populism. Then, Laclau's reconstruction of the Marxist tradition and, in more detail, his reading of Althusser, will be critically examined. The third section will examine the impoverished conceptualization of socio-economic interactions resulting from Laclau's discourse-theoretical account. Finally, the fourth will provide a symptomatic reading of Laclau's undeclared omission of political economy insights from his political theory, focusing upon four crucial elements of the latter,

namely, the process of 'individuation' of political demands; the unilateral treatment of 'class' as a mode of political identification; the unsatisfactory treatment it provides of the temporal dynamics under capitalism, and certain antinomies arising from his theorization of populism.

3.1 LACLAU'S THEORETICAL EVOLUTION.

3.1.1 Laclau's Althusserian origins.

Laclau's first major work to appear in English was *Politics and Ideology in Marxist Theory* (1979). Although his theory was, from the very beginning, strongly influenced by his prior experience as a militant of the Argentinian Peronist Left (whose imprint can be observed in any and every of his later works), at this stage Laclau was definitely an unorthodox Marxist, but a Marxist nonetheless. Clearly inscribed within the Althusserian tradition, great effort is deployed in order to further open and develop its constitutive conceptual elements (e.g. 'articulation', 'determination in the last instance by the economic', 'interpellation') while retaining its basic conceptual architecture. Laclau's most relevant theoretical advances appear in those chapters devoted to analyzing two types of political ideologies where class reductionist schemes of explanation appeared significantly ill-suited to explain them, namely, fascism and populism.

Laclau's main concern at this stage was, prominently, with broadening the scope of the political, that is, in Althusserian terms, to explore and sustain the relative autonomy of the political and ideological superstructures. Laclau asserts, *contra* Poulantzas (1974), that not all elements susceptible of being articulated into ideological discourses have a necessary and pre-determined class-belonging. The capitalist mode of production is but a regional area of any social formation in which it finds itself inscribed, whose constituent relations

of production invariably generate two antagonistic poles, capital and labor. However, capitalist class relations are not all-embracing because, on the one hand, there might be other modes of production operating within the same social formation and, on the other, some people might not even partake of relations of production of whichever type. Such heterogeneity of structural positions will be manifested not through class interpellations, but through popular interpellations instead.

> The 'people' form an objective determination of the system which is different from the class determination: the people are one of the poles of the dominant contradiction in a social formation, that is, a contradiction whose intelligibility depends on the ensemble of political and ideological relations of domination and not just the relations of production. If class contradiction is the dominant contradiction at the abstract level of the mode of production, the people/'power' bloc contradiction is dominant at the level of the social formation. (Laclau 1979 : 108)

Therefore, Laclau broadens the disjunction between class realities (abstractly determined by the mode of production's operation, though lacking any straightforward political expression), and the politico-ideological struggle (conducted at the level of the social formation, where non-capitalist elements play a crucial role), without downplaying one pole in favor of the other for, whilst 'the 'people' do not, obviously, exist at the level of production relations' (1979 : 118), 'classes as the poles of antagonistic production relations [have] no necessary form of existence at the ideological and political levels, [where they exist] in a process of articulation and not of reduction' (1979 : 159-61).

While in Laclau's account, social classes and actual/empirical social groups will no longer be superimposed, both levels of analysis are nonetheless still retained as the Althusserian tenet regarding the 'determination in the last instance by the economic' is maintained. Social classes configured at the production level will remain fundamental in appraising the social formation's historical becoming, but their struggle will take place in a politico-ideological field their contention will no longer totalize, for the former will revolve around, precisely, articulating non-class elements and antagonisms into their respective ideological discourses.

> Class struggle at the ideological level consists, to a great extent, in the attempt to articulate popular-democratic interpellations in the ideological discourses of antagonistic classes. *The popular-democratic interpellation not only has no precise class content, but is the domain of ideological class struggle par excellence*. Every class struggles at the ideological level *simultaneously* as class and as the people, or rather, tries to give coherence to its ideological discourse by presenting its class objectives as the consummation of popular objectives. (Laclau 1979 : 108-9, original emphasis)

As a corollary, classes do not succeed in the ideological struggle when they manage to impose their explicit class discourses upon the rest of the population but when they manage to accomplish the transformation of their respective class objectives into popular-democratic ones (Laclau 1979 : 174).

While Laclau's future works will evolve from a heterodox Althusserianism to a markedly post-Althusserian theoretical stance, several points of continuity can nonetheless be identified between the two. Firstly, there is an explicit recognition that class 'in itself' does

not suffice to explain actual political action, nor to advance strictly class-related goals themselves. Secondly, an emphasis upon articulatory practices as the *raison d'etre* of political action is already present, as the ambivalent nature of most ideological elements means that the political struggle will always remain constitutively open, incessantly calling for their articulation through strategic alliances with other social groups. Lastly, an insistence that social antagonisms are not pre-given but, on the contrary, ought to be produced. It thus follows that the key political question for those aiming at radical social transformation is not how to properly represent underlying antagonisms but, instead, how to confection them in a manner that enables the advancement of one's own social objectives. However, classes configured at the level of capitalist relations of production still retain an ontological primacy over remaining groups regarding politico-ideological articulations, despite no longer been expressed straightforwardly through the latter. As noted in the following section, dissolving such an ontological privilege will be precisely the cornerstone of Laclau's future 'post'-Marxist approach.

3.1.2 The Post-Marxist Turn.

The publication of *Hegemony and Socialist Strategy*, jointly with Chantal Mouffe (1985 [2001]), signals Laclau's abandonment not only of the Althusserian tradition but of Marxism *tout court*. This very dense book of political ontology set as its primary antagonistic 'Other' what they considered to be the most essentialist and economicist versions of the Marxist paradigm. In Laclau and Mouffe's view, the whole Marxist tradition was marked by an irresoluble tension since its inception. On the one hand, a closed paradigm which aims at fitting the social world into very rigid schemes of socio-historical transformation. On the other, an irreducibly complex and plural world which stubbornly refuses to be encapsulated into those same

reductionist schemes. This tension has been made manifest in the growing use of the category of 'hegemony' within the Marxist tradition in order to account for the domain of social contingency within historical processes. From its early uses by Russian Social-Democracy to its consolidation in the work of Gramsci, it served to signal the unaccounted-for in the general Laws of History that, again and again, refused to make themselves manifest in actual historical processes.

This process of growing recognition of the domain of contingency in Marxist schemes of sociohistorical transformation reached its highest stage, according to Laclau and Mouffe, in the work of Gramsci. Political subjects will no longer be social classes but 'collective wills' instead, formed by the articulation of various politico-ideological elements with no necessary class belonging (Laclau and Mouffe 2001 : 67). However, a complete break with Marxist 'essentialism' was not attained, they claimed, because of Gramsci's insistence upon the necessity of some fundamental social class being at the very core of the resulting social articulations. The only step that remained to be taken was, therefore, merely to let go these last redoubts of essentialism, and thus to conclude that no specific location within the social structure should be granted ontological primacy regarding political activity. The following section will explore in much greater depth the extent to which their insistence in combating orthodox Marxism's essentialism led them to dissolve any notion of underlying social structure into an infinity of social differences with no apparent relation with the various material processes implicated in society's social reproduction.

This dissolution of any notion of underlying social structure led Laclau and Mouffe to discard the notion of *mode of production* in favor of that of *discourse*. While the former arguably referred to a closed system whose actual shape is ultimately regulated by the operation of internal economic logics, thus restricting politics to a

mere epiphenomenal activity, the category of discourse was intended to comprise the totality of meaningful social practices. Two precisions ought to be mentioned. On the one hand, it must be noted that Laclau and Mouffe's use of the category of discourse does not lead them to embrace an idealist social ontology, for the very distinction between discursive and non-discursive practices is dissolved within the notion of discourse itself. No object or practice in the world has an intrinsic meaning previous to its involvement in human interaction. On the contrary, its meaning/identity will be contingent and differentially constructed through the relations it enters with other objects: 'The creation of an identity implies the establishment of a difference, difference which is often constructed on the basis of a hierarchy, for example between form and matter, black and white, man and woman' (Mouffe 2005). A long quote from Laclau and Mouffe (2001 : 108) might help to clarify this notion:

> An earthquake or the falling of a brick is an event that certainly exists, in the sense that it occurs here and now, independently of my will. But whether their specificity as objects is constructed in terms of 'natural phenomena' or 'expressions of the wrath of God', depends upon the structuring of a discursive field. What is denied is not that such objects exist externally to thought, but the rather different assertion that they could constitute themselves as objects outside any discursive condition of emergence.

On the other hand, the category of discourse has a double inscription in Laclau and Mouffe's theory (see Retamozo 2017). It figures both as an ontological category, referring to the above-mentioned totality of meaningful practices, but it also appears as an ontic category, referring to particular discourses competing among themselves (i.e. in the sense of 'populist discourses' or 'fascist

discourses'). This undecidability between the ontic and the ontological will permeate most of Laclau's later writings as well.

Once the category of discourse has been introduced, the key theoretical category through which to conceive political interactions will no longer be social class, but *hegemony* instead. The latter refers to articulatory practices among discursive elements so that a dimension of commonality is produced among them.[15] While the social world is constituted by ontologically fragmented and isolated elements, for signification to take place some sort of relation among them ought to emerge so that those differences can be intelligible among themselves. Crucially, it must be noted that hegemonic relations do not establish relations among pre-existing objects and/or identities but constitute the latter through their very operation. Therefore, social objectivity appears as constituted by competing hegemonic attempts to integrate social elements within themselves, i.e. to transiently transform them into moments. This means introducing some partial fixation of meaning into an otherwise chaotic and disordered field of differences, through the operation of *nodal points*, the 'privileged discursive points of this partial fixation' (Laclau and Mouffe 2001 : 112).

Again, an example might help in clarifying this difficult notion. In contemporary Western societies, almost every political force claims to be defending 'liberty'. However, the meaning attached to the word liberty cannot be derived from the concept's intrinsic properties but depends, on the contrary, upon the relations it enters into with other notions. Whether liberty is understood as absence of immigrants in surrounding neighborhoods, or as the necessity to enjoy minimum levels of material welfare, or merely as the capacity to vote

[15] 'The differential positions, insofar as they appear articulated within a discourse, we will call *moments*. By contrast, we will call *element* any difference that is not discursively articulated' (Laclau and Mouffe 2001 : 105).

periodically, will be precisely a major locus of political contention. That is, the very meaning of 'liberty' is determined relationally, and the political battle will revolve around partially fixating it: liberty functions as a nodal point. It follows that, for instance, the meaning attached to other terms such as immigrants, welfare, and elections, will be partially affected in turn by the understanding of liberty that becomes, for a time, hegemonic.

The ontological impossibility of a final and complete fixation of meaning, i.e. the ultimate precariousness of every social identity, leads Laclau and Mouffe to discard the notion of contradiction in favor of that of *antagonism*. In their theoretical scheme, the former appears linked to an understanding of an underlying social structure governed by internal laws of motion, whose historical development would appear dictated by the periodical clash between its internal components. However, in their crusade against orthodox Marxism's belief that political action can be straightforwardly derived from the involved agents' position in such underlying structure, Laclau and Mouffe forcefully argue that orthodox Marxism's contradiction does not involve any antagonistic dimension. Instead, antagonisms are a result of the differential constitution of every system of signification, 'the "experience" of the limit of all objectivity. (…) Strictly speaking, antagonisms are not *internal* but *external* to society; or rather, they constitute the limits of society, the latter's impossibility of fully constituting itself'. (Laclau and Mouffe 2001 : 123, 125). At a more general level, the concept of antagonism serves Laclau to ground his rejection of dialectical logics. At a lower level of generality, it enables Laclau to justify his assertion that no antagonism between capital and labor can be straightforwardly read off from capitalist relations of production when taken in isolation: 'Antagonism is established between the relations of production and something external to them, not within the relations of production themselves' (Laclau 1990 : 11). That is, for an antagonism to emerge capitalist relations of production

ought to interfere (read 'deny') with whatever social identity the worker holds outside the domain of work.

3.1.3 The Road to Populism. *New Reflections* and *Emancipation(s)*.

Among the various early criticisms the publication of *Hegemony and Socialist Strategy* sparked, the one causing the greatest effect upon Laclau's theoretical reformulation of the post-Marxist project during the following years was the one provided by Žižek (1990). According to him, Laclau and Mouffe's account of antagonism runs the risk of reifying into a positive entity a dimension of negativity that pervades and haunts every single identity, which cannot be subsumed under the antagonistic relation present among actually-existing social positions.

> It is not the external enemy who is preventing me from achieving identity with myself, but every identity is already in itself blocked, marked by an impossibility, and the external enemy is simply the small piece, the rest of reality upon which we 'project' or 'externalize' this intrinsic, immanent impossibility. (…) We must then distinguish the experience of antagonism in its radical form, as a limit of the social, as the impossibility around which the social field is structured, from antagonism as the relation between antagonistic social-positions: in Lacanian terms, we must distinguish antagonism as real from the social reality of the antagonistic fight (Žižek 1990 : 252-3).

Laclau's next major work (1990) will acknowledge the pertinence of Žižek's criticisms by effecting some major theoretical changes with respect to his (and Mouffe's) previous work. On the one hand, Laclau

responded to Laclau and Mouffe's (2001) lack of any notion of structural crisis, that is, any intra-theoretical justification of how a hegemonic ensemble might be internally subverted, by introducing the notion of *dislocation* (Harrison 2014 : 51). Not only every political identity is constitutively open, but the single elements it comprises are open as well. This is so because every identity is relational (i.e. it is what others are not), so that it crucially depends upon a 'constitutive outside' which, while continually threatening it, simultaneously represents nonetheless its very condition of possibility: 'Every identity is dislocated insofar as it depends on an outside which both denies that identity and provides its condition of possibility at the same time' (Laclau 1990 : 39).

Hence, dislocations are an effect of the differential and contingent nature of every symbolic structure, an effect of its ontological impossibility to constitute itself as a fully-closed system, which show themselves through the occurrence of events that cannot be domesticated by the existing structure, thus showing its ultimately incomplete nature. Now, antagonisms will be symbolic responses to a dislocated structure, a way to master it, domesticate it, by providing it some sort of symbolic inscription. In Lacanian terms, whereas the early formulation of antagonism is conceptualized in terms of the 'imaginary', now the emphasis is laid upon a radical disjunction between the 'real' and the 'symbolic' (Biglieri and Perello 2011). The Marxist notion of contradiction is thus radically reformulated, so that it no longer corresponds to an internal feature of a given structure but, instead, stands as an effect of its internal impossibility.

The concept of dislocation enables Laclau to abandon the Foucauldian-inspired notion of 'subject-positions' in favor of a category of *subject*, of markedly Derridean inspiration, constituted by the lack of the structure: 'Apart from the subject, in this radical sense, there are only *subject positions* in the general field of objectivity. But the subject, as understood in this text, cannot be objective: it is only

constituted on the structure's uneven edges' (Laclau 1990 : 61). This subject will be a mythical subject, insofar as it does not partake of the general field of objectivity but, rather, subverts it by emerging as a response to the latter's failure. Moreover, the subject will also be constitutively metaphorical, for its particular content stands as an impossible plenitude which the current dislocated structure cannot offer: 'It is not the 'structurality' of the dominant structure to which the mythical space is opposed, but its *de*-structuring effects. The mythical space is constituted as a critique of the lack of structuration accompanying the dominant order' (Laclau 1990 : 62). Finally, if the subject is successful in responding to a dislocated structure, it will gradually dissolve itself into a new objectivity, that is, it will convert itself into another 'subject-position'.

Some years later Laclau (1996b) published another collection of essays mainly concerned with the issues of multiculturalism and identity politics. He purported to deconstruct the theoretical premises grounding emancipatory 'grand narratives' of European modernity (e.g. Enlightenment, Marxism), ultimately based upon the secularization of the Christian logic of the incarnation of the Universal into the particular. However, contrary to the typically postmodern celebration of the free play of differences, the very notion of the Universal had to be reformulated in order to devoid it of its teleological and/or totalizing implications but, and this is Laclau's strongest claim, in no case discarded.

As already noted, Laclau conceives all identity to be differentially constituted: 'the problem, however, is that the very possibility of signification is the system, and the very possibility of the system is the possibility of its limits' (Laclau 1996b : 37). Therefore, it is strictly necessary that an element within the system of signification stands for the totality itself, symbolizing its limits as well as what lies beyond it. These elements, gradually devoid of particular content for they ultimately stand for the totality as such, will be termed *empty*

signifiers. According to Laclau, the hegemonic struggle will consist precisely in determining which particularity will be elevated to the place of the universal: 'All positive content of the Universal is the contingent result of a hegemonic struggle – in itself, the Universal is absolutely empty' (Laclau 2000b : 79). It follows that now the hegemonic struggle is reconceptualized as a contention between particularities to determine which one is to transitorily occupy the empty place of the universal.

Identifying the particularity that occupies the place of the Universal is relevant because all the differences internal to the system will have it as a context, being constituted with reference to it. In order to change the relations of power constituting a given society, it is not enough to alter the differential positions the various particularities occupy within the system, as this would leave the hegemonic closure of the social untouched. What is needed instead is precisely to contest the Universal itself that regulates the differences internal to the system. It is then the hegemonic articulation between the particular and the Universal that which will determine which social claims will be intelligible, that is, which ones will be constituted as a difference internal to the system, and which others will be relegated to the ostracism of radical negativity.

In sum, the subject emerging from a dislocated structure will advance some particular claims as a response to the latter. In case it is found to successfully respond to the existing structure's perceived social needs, its strictly particular content will become gradually blurred through its own universalization, thus functioning in turn as a surface of inscription of the remaining particularities. In the words of Laclau (1990 : 64): 'The condition for the emergence of an imaginary is the metaphorization of the literal content of a particular social demand'.

3.1.4 On Populist Reason.

Laclau's latest major work, *On Populist Reason*, deals explicitly with the issue of populism, although his lifelong theoretical preoccupations are still present (e.g. the production and subversion of a social order, the nature of political identities, the essence of the political), and the basic theoretical coordinates of the post-Marxist project are maintained. Contrary to the all-too-common understanding of populism as a vague, imprecise and self-consciously deceitful ideology, Laclau (2005a, 2005b) aims at rehabilitating the concept within political philosophy. Populism is not only deemed worthy of serious theoretical inquiry but, crucially, it is presented as 'the royal road to understanding something about the ontological constitution of the political as such' (Laclau 2005a : 67).

One of Laclau's key theoretical displacements is to conceive populism as a purely formal logic regulating the constitution of political identities in times of intense institutional disintegration, thus avoiding to make any reference to the specific content actually articulated.[16] Hence, by focusing upon strictly formal logics Laclau avoids introducing normative judgements regarding populist articulations, while doing away with any understanding of language *qua* mere appendix to material reality. Indeed, that understanding of language as reflection of the material world could not be more at odds with Laclau's social ontology: 'Synonymy, metonymy, metaphor are not forms of thought that add a second sense to a primary, constitutive literality of social relations; instead, they are part of the primary terrain itself in which the social is constituted' (Laclau and Mouffe 2001 : 110).

In a context in which a number of heterogeneous demands cannot be satisfied by the existing institutional order, despite them not

[16] 'A movement is not populist because in its politics or ideology it presents actual *contents* identifiable as populistic, but because it shows a particular *logic of articulation* of those contents - whatever those contents are' (Laclau 2005b : 33).

sharing anything in common *a priori*, a 'relation of equivalence' among them may be drawn out of their common rejection of/by the *status quo*, thus potentially coalescing into a new 'popular' identity capable of challenging the institutional order as such. That is, those demands may become 'equivalent' among themselves not out some essential commonality they might ultimately share but, on the contrary, because of something they are *not*. In the words of Laclau (2006 : 655): "Once we move beyond a certain point, what were requests *within* institutions became claims addressed *to* institutions, and at some stage they became claims *against* the institutional order. When this process has overflown the institutional apparatuses beyond a certain limit, we start having the people of populism".[17]

The resulting popular subject will be constitutively split: one the one hand, it will comprise various social demands whose particular content will never be completely eradicated; on the other, it will present itself as the embodiment of the interests of the whole community: 'It is in this contamination of the universality of the

[17] 'Let us give the example of a straightforward demand: a group of people living in a certain neighborhood want a bus route introduced to transport them from their places of residence to the area in which most of them work. (…) Let us suppose that the request is rejected. A situation of social frustration will, no doubt, derive from that decision. But if it is only *one* demand that is not satisfied, that will not alter the situation substantially. If, however, for whatever reason, the variety of demands that do not find satisfaction is very large, that multiple frustration will trigger social logics of an entirely different kind. If, for instance, the group of people in that area who have been frustrated in their request for better transportation find that their neighbors are equally unsatisfied *in their* claims at the levels of security, water supply, housing, schooling, and so on, some kind of solidarity will arise between them all: all will share the fact that their demands remain unsatisfied. That is, the demands share a *negative* dimension beyond their positive differential nature.

A social situation in which demands tend to reaggregate themselves on the negative basis that they all remain unsatisfied is the first precondition - but by no means the only one - of that mode of political articulation that we call populism. (…) [T]he more social demands tend to be differentially absorbed within a successful institutional system, the weaker the equivalential links will be and the more unlikely the constitution of a popular subjectivity; conversely, a situation in which a plurality of unsatisfied demands and an increasing inability of the institutional system to absorb them differentially co-exist, creates the conditions leading to a populist rupture' (Laclau 2005b : 36-7)

populus by the partiality of the *plebs* that the peculiarity of the 'people' as a historical actor lies' (Laclau 2005a : 224). This co-implication between the universal and the particular to conceive of political subjects is fully consistent with Laclau's previous works, as noted in the previous section. A more nuanced treatment of his understanding of populism will be offered in the sections that follow.

So far, a brief review of Laclau's theoretical evolution has been provided. As indicated at the beginning of this chapter, in what follows the attention will fall primordially upon Laclau's relation with the political economy tradition and the theoretical complications it carries forward. Next section will examine the nature and motives that justify Laclau's rupture with Marxism and, concretely, the reinterpretation of some Althusserian concepts he puts forward in order to ground his own.

3.2 MISREPRESENTATION OF MARXISM, MISREADING OF ALTHUSSER.

Despite having started his academic career within the Althusserian tradition (see Laclau 1979), the publication of *Hegemony and Socialist Strategy* (Laclau and Mouffe 2001) signaled a radical break in Laclau's intellectual trajectory, thus giving birth to the so-called post-Marxist paradigm. In order to ground their own theoretical position, Laclau and Mouffe provide us with a theoretical reconstruction of the Marxist tradition in which the latter is depicted as constituted by an unending struggle between a necessarily closed theoretical paradigm and an open-ended heterogeneous world that resists itself to be encapsulated into those schemes. This journey, where various attempts succeeded each other in granting an ever-increasing role to the domain of contingency when explaining social phenomena, culminates in the work of Althusser. According to Laclau and Mouffe, an inexorable diagnostic thus follows: the whole tradition is inevitably flawed by an

essentialist and economicist understanding of social relations, making it utterly incapable of coming to terms with the irreducible heterogeneity of the social world. It is our contention that the representation of the Marxist tradition they put forward in order to advance their own theoretical position is inaccurate. Moreover, their argument rests upon an interpretation of the work of Althusser which is not supported, in our view, by a close reading of the original sources.

Laclau and Mouffe, as noted, accuse the whole Marxist tradition of being constitutively essentialist, i.e., some factor is posited as the ultimate explanation of social phenomena and every attempt to grant recognition to the heterogeneity of the social world is deemed to be exterior to the very fundamentals of Marxist theory. Ironically, this strategy of dropping the charges of essentialism to virtually every theorist considered (arguably the quintessential Althusserian theoretical movement) is also applied to Althusser himself. However, as perspicaciously noted long ago by Geras (1987), this strategy is not used to discriminate within Marxism between 'good' and 'bad' versions of it but, on the contrary, to isolate Marxism *tout court*. In a nutshell, the argument is that, because Marxism is irremediably monist/essentialist and the world is irreducibly complex, all authors were forced to have recourse to a dualist scheme of social explanation, whereby the necessary laws of a closed paradigm were to be supplemented by an external element in order to account for the ultimate complexity of the world. However, while accusing every preceding Marxist theorist of 'dualism', they put forward an equally rigid dichotomy in order to judge competing social explanations: either one social principle is able to explain everything, or no causal explanations can be provided. As noted by Wood (1986 : 78), in Laclau and Mouffe's explanatory schemes, 'where there is no simple, absolute, mechanical, unilinear, and non-contradictory determination, there is no determinacy, no relationship, no causality at all'. It seems

that, beyond pointing out some illegitimate schemes of social explanation, Laclau and Mouffe are ultimately censoring every possible scientifically grounded account of social phenomena for, following Callinicos (1993 : 44) 'a social theory which does not attend to the relative causal weight of different practices, institutions, and agents is strategically worthless and conceptually empty'.

As noted above, Althusser represents the last stage in this journey of gradually granting greater recognition to the ultimate contingency and heterogeneity of the social world, an index of which is provided by the growing use and theoretical weight of the category of hegemony, first introduced into Marxist theory by early Twentieth-century Russian Social Democracy. According to Laclau and Mouffe, Althusser was the Marxist theorist that came the closest to the riddance of those essentialist remainders that had vitiated Marxism's explanatory power since its inception. The argument goes as follows. The import of the category of 'overdetermination' from psychoanalysis apparently signaled a move in the right direction, as it asserts that 'the social constitutes itself as a symbolic order' (Laclau and Mouffe 2001 : 97-8).[18] That is, contrary to the essentialist/reductionist explanatory trends proper to Marxism, which insist in reducing the phenomenal diversity of the social to mere epiphenomena of a single essence, overdetermination would indicate that '[t]here are not two planes, one of essences and the other of appearances, since there is no possibility of fixing an ultimate literal sense for which the symbolic would be a second and derived plane of signification' (Laclau and Mouffe 2001 : 98). However, this potentially productive movement was radically counteracted by Althusser's retreatment into old-fashioned Marxist essentialism, signaled by his insistence in the 'determination in the last instance by

[18] '[Overdetermination] is a very precise type of fusion entailing a symbolic dimension and a plurality of meanings. [It] is constituted in the field of the symbolic, and has no meaning whatsoever outside it' (Laclau and Mouffe 2001 : 97)

the economy' for, 'if society has a last instance which determines its laws of motion, then the relations between the overdetermined instances and the last instance must be conceived in terms of simple, one-directional determination by the latter' (Laclau and Mouffe 2001 : 99). Therefore, the conclusion adopted by Laclau and Mouffe is that, in order to fully embrace the open-ended contingent character of the social world, the only step that remains to be taken is that which Althusser did not dare to take: to forget about every reference to 'determination in the last instance' and to conceive the social as being constituted by competing hegemonic attempts to suture the open-ended field of socio-symbolic differences and thus provide a provisional and precarious form of closure.

However, is this a correct reading of Althusser's theoretical stance? Are those two terms ('overdetermination' and 'determination-in-the-last-instance-by-the-economy'), actually irreconcilable and hence contradictory? For Laclau and Mouffe's reading to be consistent, it must be accepted that Althusser borrowed the category of overdetermination from psychoanalysis merely to indicate that the world functions like a language, that is, to refer to the mechanisms of condensation and displacement of struggles and identities in the socio-symbolic field. However, overdetermination means something significantly different for Althusser and is utterly indissociable from his notion of totality. It refers to the manifestation of the whole in each and every one of its contradictions in a hierarchical and irreducibly complex manner, i.e. to the impossibility to fully dissociate a social contradiction from its conditions of existence. In the words of Althusser, overdetermination refers to '[t]his reflection of the conditions of existence of the contradiction within itself, this reflection of the structure articulated in dominance that constitutes the unity of the complex whole within each contradiction' (Althusser 1969 : 206). Therefore, not to a plurality of meanings unable to be traced back to an ultimate literality, as maintained by Laclau and

Mouffe, but to the mode of interrelations of the various spheres constituting the social totality, to the manifestation of the whole in each of its contradictions in a hierarchical and irreducibly complex manner.

It follows that 'overdetermination' and 'determination in the last instance' are but two complementary ways of referring to the mechanisms through which the totality exerts relations of causality among its components, that is, a totality that only shows itself through its effects, but a totality nonetheless. Althusser not only wanted to distance himself from reductionist/economicist versions of Marxism associated, in his view, with a Hegelian notion of totality, but also from an aggregative and pluralist understanding of social processes. For that matter, something is needed that holds the various spheres together, i.e. that turns a plurality of moments into a totality. This element is precisely the 'determination in the last instance by the economy', which does not determine the phenomenal diversity of the world in 'simple, one-directional' (Laclau and Mouffe 2001 : 99) terms but, instead, introduces a 'hierarchy of effectivity [existing] between the different levels or instances of the social whole' (Althusser and Balibar 2009 : 110).

It follows that 'determination in the last instance by the economy' cannot be assimilated to uni-directional determination by the economic because 'the lonely hour of the "last instance" never comes'. The latter indicates that the logic of overdetermination is universal, that is, that every single contradiction contains within itself its own position in the structure in dominance, so that 'there is no longer any simple unity (in any form whatsoever), but instead, *the ever-pre-givenness of a structured complex unity*' (Althusser 1969 : 199, original emphasis). It is then the 'determination in the last instance by the economy' that which turns the plurality of social processes into a 'structure in dominance' rather than into a contingent amalgam of discrete elements, 'the absolute precondition for a real

complexity to be a unity' (Althusser 1969 : 204). As noted long ago by Callinicos (1976 : 44), Althusser's notion of totality does not refer to an identity, but to a unity, of opposites. Therefore, overdetermination is nothing but the hierarchical mode of presentation of the complex whole in every and each of its components, that 'model of organization and articulation of the complexity [which] is precisely what constitutes its unity' (Althusser 1969 : 202). In sum, 'whereas Althusser develops overdetermination as an index which is essentially determined by a material real and which reveals that real, Laclau and Mouffe offer a definition of overdetermination as a symbolic order with no essential ties to any determining objects or practices' (Lewis 2005). Similarly, Althusser's understanding of the totality as manifested through its effects dismisses as well Laclau and Mouffe's indictment of economism. Althusser's self-awareness of this danger is made paramount in a fragment of '*On the Materialist Dialectic*' worthy to be quoted at length:

> 'It is economism (mechanism) and not the true Marxist tradition that sets up the hierarchy of instances once and for all, assigns each its essence and role and defines the universal meaning of their relations; it is economism that identifies roles and actors eternally, (…) It is economism that identifies eternally in advance the determinant-contradiction-in-the-last-instance with the role of the dominant contradiction' (Althusser 1969 : 213)

Hence, Laclau and Mouffe's rejection of Althusser' notion of 'determination in the last instance' while (nominally) retaining the concept of overdetermination to refer to the metaphoric/metonymic constitution of struggles, identities and demands in the socio-symbolic field, underlies their different conceptualizations of the social totality. While Althusser posits a totality that is ultimately decentered,

constituted by the overdetermined interrelations among its constituting instances, Laclau and Mouffe reject the notion of totality altogether in favor of a plurality of 'totalizing' effects derived from different hegemonic attempts to provide a provisional form of closure to the field of heterogeneous, free-floating differences. Synthetically, while Althusser equates his notions of totality and society, Laclau and Mouffe partake of the 'post-foundationalist' turn in social theory (Marchart 2007) when asserting that 'society does not exist', that is, society is that necessarily failed object that hegemonic interventions aim at discursively construct. Similarly, Althusser's assertion that the internal movement of the totality cannot be predicted does not lead him to deny it as an object suitable to scientific scrutiny (an index of which is provided by the category of overdetermination), thus standing in stark contrast to Laclau and Mouffe's theoretical agnosticism regarding the structural conditionings of political action. Althusser's overdetermined totality, 'in that it recognizes and takes into account a plurality of diverse factors and determinants (including the economic), [rests] on a firmer basis and is more complete than those epistemologies that insist on the ideological nature of all knowledge' (Lewis 2005).

In sum, by asserting the impenetrability of the social in conjunction with an understanding of social relations as infinitely malleable and contingent, Laclau and Mouffe are led to dismiss Marxism as merely a political discourse generative of political identities, rather than as a scientific paradigm capable of throwing some light upon the internal dynamics of the capitalist mode of production. It follows that the formal complexity and richness of Laclau's discursive theory of hegemony remains unable to apprehend the specifically capitalist nature of the societies it is supposed to be referring to. In order to lay bare their theoretical position, Laclau and Mouffe misrepresent Marxism to the extent of producing a caricature of it, in opposition to which their own theoretical position can be laid

bare. The following fragment of their argument with Norman Geras is illustrative of it: 'In a sense, Marx clearly remains within the idealist field – that is to say, within the ultimate affirmation of the rationality of the real. The well-known inversion of dialectics cannot but reproduce the latter's structure' (Laclau and Mouffe 1987 : 88). On the one hand, even if that judgement were appropriate when referred to *Marx* himself, it can hardly stand as an indictment of *Marxism* as a whole. On the other, if actually referred to Marxism, is the 'inversion' metaphor still a valid line of attack against the whole Marxist tradition once Althusser's criticism of it has already been provided? Given that Althusser himself is included into that tradition, having resort to a pre-Althusserian social ontology can hardly be admitted as a valid argument against the Marxist tradition as a whole.

However, before outlining Laclau's reconceptualization of the 'economy', it is necessary to stress what we are not arguing in favor of. We are not arguing in favor of granting any sort of epistemological privilege to the subjective involvement in capitalist production processes when devising anti-capitalist political alternatives, nor in favor of any essential relation between the conflictive nature of capitalist institutions and the political expressions liable to emerge from the latter. Nor are we arguing that anti-systemic struggles must of necessity be articulated around class-related identities, nor under explicitly 'anti-capitalist' banners. Much less are we arguing for a subsumption of non-class-related struggles or identities under narrowly-defined class struggle, or for any attempt to trace back the heterogeneity of struggles permeating the social to an essential commonality derived from their common partaking of capitalist-related social processes. What we are explicitly defending is not the incompatibility of Laclau's theory of hegemony with the tradition of political economy but, on the contrary, the necessity of grounding the former upon the latter. That is, for an explicit recognition of the specifically capitalist nature of the societies in which hegemonic

logics are operating, an oblivion of which seriously vitiates the epistemological and political/strategic value of the post-Marxist theory of hegemony.

3.3 WITHER POLITICAL ECONOMY?

Laclau's critique and reformulation of the Marxist tradition, in conjunction with his insistence in resorting to dualist schemes when judging competing frameworks of social explanation, leads him to evacuate the tradition of political economy altogether from his own theoretical framework. Indeed, a related and symptomatic omission grounds both Laclau's theoretical framework and the sort of postmodern politics that, more often than not, find in the former one of its most sophisticated theoretical justifications. In the same way that, according to Žižek (2000: 98), 'postmodern politics (…) does not in fact repoliticize capitalism, because the very notion and form of the 'political' within which it operates is grounded in the 'depoliticization' of the economy', the import of various insights from linguistics, psychoanalysis or deconstruction into the (post-)Marxist tradition could not but come at the expense of the extirpation of political economy insights from the latter for, as Miklitsch (1995 : 170) has noted, '[Laclau's] political-theoretical project derives, if only by way of inversion, from its discursive-methodological Other: political economy'.[19]

However, Marxian political economy, on the one hand, and Laclau's critique of it on the grounds of it being ultimately essentialist, on the other, operate at qualitatively different levels of abstraction. Whereas Laclau's approach is concerned with the ontological grounding of every and any institutional structure that

[19] It is symptomatic that out of the fifteen articles included in the main collection of critical essays on the work of Laclau (Critchley and Marchart 2004) published so far, none of them deals with the relation of the latter's work with the tradition of political economy.

manages to imperfectly reproduce itself, Marxian political economy is concerned with analyzing the internal dynamics of one specific and (however imperfectly) sedimented structure: the capitalist mode of production. In the words of Best (Best 2014 : 276), '[i]f the object of discourse theory is the logical (im)possibility of the social -the (in)capacity of its sedimentation-, the object of political economy is one ongoing instance of sedimentation/reactivation in action'. Discourse theory, by conflating their two respective objects, ends up drawing a critique of all theories where institutional sedimentation is not ontologically explained but simply assumed. Despite Laclau's claims on the contrary,[20] the truth is that 'Laclau and Mouffe, because of their excessive fear of reifying institutional structures, go to the other extreme and analyze practices in an institutional vacuum' (Mouzelis 1988 : 116). Whereas the sedimentation/reactivation conceptual couple is certainly a productive one when considering a general social ontology, for such theory to have any strategic value in political terms, a conceptual structure must be provided which enables the apprehension of the differential constraints and opportunities derived from the institutional environment in which it is necessarily immersed, as well as the differential degree of resilience of its building blocks. Those conceptual elements are not provided because of an illegitimate conceptual leap from contingency to precariousness when describing the social. From the fact that any and every sedimented institutional structure is contingent, no judgement can be made *a priori* regarding their higher or lesser temporal durability. However, Laclau and Mouffe (2001 : 96, 98, my emphasis) consider 'the diverse social orders' not only as ultimately contingent, and hence always-already susceptible of being altered, but 'as *precarious* and ultimately failed attempts to domesticate the field of differences'.

[20] 'It is completely untrue that we have ever stated that social practices occur in an institutional vacuum. Indeed, institutions are fully present in our approach: they are what we have called *systems of differences*' (Laclau 1990 : 223, original emphasis).

Similarly, because 'society and social agents lack any essence', it is concluded that 'their regularities merely consist of the relative and *precarious* forms of fixation which accompany the establishment of a certain order'. A more nuanced treatment of the varying degrees of resistance and/or proclivity to change of the various institutional components of a social order is needed, one that cannot be provided by collapsing every single institution under the common banner of 'systems of differences'. Moreover, not only individual components can show a higher or lesser resistance to change when considered in isolation, but it is also strictly necessary that conceptual tools are provided that permit to apprehend how the various blocks of an institutional ensemble may coalesce into a relatively coherent whole, through the emergence of relations of complementarity and/or dissonance among them, so that their joint reproduction over time is assured.

This inability to apprehend the differential degrees of institutional resilience within a given social order derives, as already noted, from a caricaturesque version of Marxism against which the theoretical stance of discourse theory is laid bare. Only by accepting, on the one hand, that Marxism depicts capitalism as governed by laws of motion 'strictly endogenous [that exclude] all indeterminacy resulting from political or other external interventions' and, on the other, that 'the unity and homogeneity of social agents (…) must result from the [those] very laws of motion' (Laclau and Mouffe, 2001: 76), can one grant some theoretical novelty to statements such as 'the space of the economy is itself structured as a political space', or 'the thesis that the productive forces are neutral, and that their development can be conceived as natural and unilinear, is entirely unfounded' (Laclau and Mouffe 2001 : 76.-7, 80). Paradoxically, Laclau and Mouffe's criticism of Marxism's alleged technological determinism is itself based upon a technicist definition of the economy (Wood 1986), where relations of power/domination are not constitutive principles of

it, i.e. a vision much closer to the neoclassical understanding of market interactions than to that pertaining to the political economy tradition. Contrary to the profound and novel elaboration of political concepts that characterizes discourse theory, their use of economic concepts has not undergone the same process of theoretical re-elaboration: 'There are economic concepts in *Hegemony and Socialist Strategy*, but no concept of the economy' (Diskin and Sandler 1993 : 30).[21] This failure to integrate the analysis of economic realities into the theoretical coordinates of discourse theory grounds an understanding of capitalism as a homogenous and unitary force (Gibson-Graham 1996), ultimately conflated with the ever-expansion of the logic of the commodity throughout the social field (Laclau and Mouffe 2001 : 161). By dismissing any systematic study of the internal dynamics of the capitalist mode of production as intrinsically reductionist/essentialist, the specifically capitalist nature of those societies where hegemonic logics are nowadays operating is missed and, consequently, political prescriptions based upon the latter may misfire accordingly.

3.4 SYMPTOMS OF AN UNDECLARED OMISSION.

The rest of this chapter will examine the implications, both epistemological and political, derived from the repression of political economy insights from Laclau's theoretical *corpus*. Borrowing the term from Althusser, a symptomatic reading of the Laclauian problematic is provided, aiming at throwing to light the internal assumptions upon which it is grounded by paying attention not only to what it explicitly says but also to its silences and omissions. The core

[21] In order to refer to the specificity of the current configuration of the capitalist mode of production, Laclau employs various terms such as Aglietta's 'intensive regime of accumulation' (2001 : 160), Lash and Urry's 'disorganized capitalism' (1990 : 58), or 'globalized capitalism' (2005a : 150). However, no conceptual elaboration of those terms is provided, for their meaning is taken to be straightforward and common-sensical.

thesis defended here is that the omission of political economy from the list of post-Marxist main theoretical sources is not just one omission among many but, on the contrary, the constitutive feature of the politico-theoretical position ensuing. In order to substantiate our position, four main areas of Laclau's theoretical edifice will be critically scrutinized: the implications of considering social demands as the primary unit of analysis; the effects of recasting class as just one type of identity politics; its understanding of the temporal dynamics under capitalism, and certain aporias resulting from his understanding of populism in relation to the general coordinates of his theory of hegemony.

3.4.1 Social Demands qua Primary Unit of Analysis.

Laclau's (2005b, 2005a) later works, mostly (but not only) focused upon populism, postulate the category of 'social demand' as the 'minimal unit of analysis' in his analysis of the constitution of political subjects. Although this notion was not explicitly advanced at the early stages of the post-Marxist project, it remains fully consistent with the 'post-foundational' theoretical coordinates of the latter (Marchart 2007)). Rather than presuming a pre-existing political subject whose proffered political demands could have been pre-determined *a priori* on the basis of the position the former occupies in the underlying social structure, postulating social demands as the minimal unit of analysis allows Laclau to posit a subject of politics who is not constitutive but, on the contrary, constituted by 'relations of equivalence' among those demands. In our opinion, despite managing to avoid any sort of economic determinism in appraising the process of constitution of political identities, several problems emerge due to Laclau's consideration of the socio-symbolic level not only as constitutive of social objectivity but, also, as the only one worthy of theoretical scrutiny.

Firstly, by taking social demands as the most elementary unit of analysis, discourse theory is unable to apprehend how the conflict-ridden nature of contemporary societies is 'individuated' into a set of individually isolated social demands. That is, in the terms employed by Laclau and Mouffe (2001 : 105), how 'elements' are transformed (i.e. discursively articulated) into 'moments'. Among the multiple conflicts and tensions arising from the interaction among the various social processes comprising the social totality, not all of them have the same chances of being 'individuated' into social demands able to acquire intelligibility within the sphere of political representation. The category of 'social heterogeneity' (Laclau 2005a : 140), which some have argued in favor of constituting it as the central category of discourse theory (e.g. Thomassen 2005), refers precisely to that excessive remainder excluded from the sphere of representation which, nevertheless, continually haunts and threatens the latter. However, it follows that those unsatisfied demands susceptible of being incorporated into competing relations of equivalence must be, of necessity, always-already constituted as demands (Barros 2006). Therefore, a dichotomous division ensues between, in Lacanian terms, a pre-symbolic real (social heterogeneity) and a symbolized real (unsatisfied demands), whose interrelations cannot be properly apprehended, we contend, because the dissolution of an underlying social structure into an undifferentiated magma of symbolic differences prevents appreciating the differential institutional depth of the various blocks composing a given social order. Managing to advance a social demand in response to a situation of social dislocation requires enjoying the appropriate symbolic and material resources, together with certain organizational capacities, whose apprehension requires a more nuanced treatment of institutions than that provided by collapsing every existing institution under the common banner of 'systems of differences'. However, because of the differential inclusion enjoyed by social agents within the social

structure, the very means needed to advance one's own demand into the political arena are necessarily unevenly distributed. Therefore, restricting the analysis to already-constituted demands misses the constraints and opportunities imposed upon political intervention by a social structure which, however contingent, remains nonetheless real in its effects.[22]

Secondly, and perhaps more importantly, no hierarchical ordering of the various possible social demands can be provided in terms of their higher or lesser anti-systemic potential. Either if the hegemonic struggle is conceptualized as an unending struggle among particularities to occupy the empty place of the universal (e.g. Laclau 1996b, 2000a) or, in more recent terms, as competing attempts by individual demands to empty themselves of particular content so that they can function as surfaces of inscription of other unsatisfied demands (Laclau 2005a), there is a (self-conscious) theoretical agnosticism regarding the specific ontic content those demands/particulars might take. It seems that, in combating class reductionism, the argument slides from stressing that partaking in capitalist relations of production does not grant any privileged access to anti-systemic consciousness, so that 'there is no reason why struggles taking place *within* relations of production should be the privileged points of a global anti-capitalist struggles' (Laclau 2005a : 150, my emphasis), to asserting that the politicization of any social domain can be equally threatening to the reproduction of the existing order: 'The crucial point is that there is no special location within a system which enjoys an a priori privilege in an anti-systemic struggle' (Laclau 2000c : 203). While the first point would be pretty commonsensical, the second must be considered as unambiguously

[22] Take, for instance, the situation currently lived by the masses of illegal immigrants in Western countries. Whereas their lived situation, in most cases, is one of utmost deprivation and misery, it is hard to imagine that their situation would have the same chances of being translated into social demands than, say, if they enjoyed citizenship rights.

wrong. For instance, the assertion that '[w]orkers' demands -higher wages, shorter working hours, better conditions in the workplace, and so on- can, given the appropriate circumstances, be as easily integrated into the system as those of any other group' is rendered intelligible only after having dissolved the underlying social structure into transient hegemonic articulations, so that the strictly capitalist 'specificity' of the societies Laclau refers to is ultimately missed, for, while one can conceive a well-functioning capitalist machine without underlying gender and/or race relations, the same cannot be said with respect to the category of class.

In this respect, the comparison with the category of 'transitional demands', associated with the Fourth International, is instructive in this respect. The latter refer to political demands aimed at bridging contemporary common-sense with the structural requirements of a well-functioning capitalist accumulation process. For instance, while a 'decent living for all' or 'housing availability for all' are nominally recognized as legitimate rights by most liberal democracies nowadays, their actual delivery is made impossible by capitalist structural requirements. Hence, its demand provides the possibility of linking blind spots within contemporary common-sense with existing structural limitations. Discourse theory, by doing away with any notion of an underlying social structure, is constitutively blind to the structural limitations imposed by the fact that our societies are, at the end of the day, societies where capitalist self-reproduction conditions its own.

3.4.2 Class *qua* Identity Politics.

One of the main deficiencies of Marxism, according to Laclau's narrative, is the former's insistence in 'class reductionism' when considering revolutionary subjectivity. Laclau vehemently denies, on the one hand, the existence of any intimate link between the structural

position occupied by agents and the political expression ensuing and, on the other, that revolutionary subjectivity must of necessity be anchored around the category of 'class'. Actually, the very notion of structural position is dissolved in Laclau's schemes for, as noted in previous sections, any notion of social structure is replaced by infinitely malleable hegemonic articulations aimed at (re-)constructing that failed object that society ultimately is. It follows that the very distinction between 'class-in-itself' and 'class-for-itself' collapses as the latter is deemed to be the only conceptual category worth serious theoretical scrutiny, because of the disappearance of any trace of institutionality in Laclau's social ontology. However, it is one thing to complicate their relationship while exploring the relative autonomy existing between the two levels, and one entirely different to do away with the very notion of 'class-in-itself' on the grounds that any attempt to study structural positions is deemed to be ultimately reductionist. Hence, as noted by Rustin (1988 : 154), by rejecting any reference to objective material processes in constituting classes '[Laclau and Mouffe] substitute an equally one-dimensional theory of ideological determination for the monistic theory of economic determinism'.

Therefore, the way is paved for un understanding of class and capitalism as 'largely fetishes dispossessed of any precise meaning', and class struggle as 'just one species of identity politics, and one which is becoming less and less important in the world in which we live' (Laclau 2000a : 201, 203). For those statements to have any sense, the reduction of the category of class to one specific type of socio-symbolic collective identification must first have been accomplished, so that the lower political salience enjoyed nowadays by the symbolic universe constructed around the 'Fordist' industrial working-class can be taken for evidence of the decreasing relevance of the category of class to understand contemporary anti-systemic struggles. However, the unilateral treatment of class *qua* one type of

collective identification obscures the contemporary relevance of class *qua* social process, one that provides a politico-epistemological structuring of the socio-economic space without this necessarily implying falling back into an essentialist social ontology (e.g. Resnick and Wolff 1987). Moreover, the various phenomena that Laclau (Laclau 2000a : 299-300) mentions to account for the lower relevance enjoyed today by the category of class (decline, in absolute number and in structural organization, of the industrial working-class; growing involvement in generalized mass culture; higher levels of structural unemployment; rising female employment participation; the explosion of higher education) cannot be considered entirely foreign to the category of 'class' insofar as they can only be correctly apprehended through the very structuration of the social space that the category of 'class' enables. Therefore, the lower hegemonic depth nowadays enjoyed by 'class' *qua* political identity finds some explanation, precisely, in the historical evolution of 'class' *qua* social process. Following Wood (1986 : 97), '[t]he absence of explicit class 'discourses' does not betoken the absence of class realities and their effects in shaping the life-conditions and consciousness of the people who come within their 'field of force''.

Any society where capitalism is the dominant mode of production has a structural necessity of (re-)producing the wage-labor relation irrespectively of the self-awareness shown by its participants, so that 'every discursive construction of wage-labor is also always overdetermined by the structural necessity of wage-labor for the continued functioning of the capitalist machine' (Best 2014 : 278). This structural and contradictory location, where capital requires wage-labor while, simultaneously, finds itself compelled by the relations of intra-capitalist competition to purge it from the production process, constitutes a structural invariant of social formations where capitalism is the dominant mode of production. Although definitely indissociable from its overdetermined conditions of existence,

ignoring the sort of social structuration that the category of class enables carries with it the risk of taking changing class realities for evidence of the growing irrelevance of the category of class *tout court*, instead of realizing that, precisely, it is the category of class that which can make those phenomena intelligible in a coherent and structured manner.

3.4.3 Temporal Dynamics under Capitalism.

Other of Laclau's main lines of attack against Marxism is based upon the latter's alleged presumption of an inevitable defeat of capitalism out of the self-unfolding of its internal contradictions, socialism being a necessary consequence of the immanent laws of History. Again, conflating the most reductionist-economicist-teleological versions of Marxism with Marxism *tout court* enables Laclau to lay bare his own alternative, namely, 'a vision of history that is different from economic stagism: a succession of dislocatory junctures' (Laclau 1990 : 46).

However, there was already a long intellectual tradition within Marxism which, arguing precisely against teleological visions of History, has tried to offer a periodization internal to capitalism by identifying existing 'long-waves' regarding capital accumulation, from the initial works of Lenin (1917), Bukharin (1973) and Hilferding (1980), through those of Mandel (1995) and Sweezy (1968), up until its culmination in, on the one hand, French Regulation Theory (e.g. Aglietta 1979) and, on the other, Social Structures of Accumulation Theory (e.g. Gordon, Edwards, and Reich 1982). The main idea behind is that the capitalist mode of production does not take place in an institutional vacuum but, on the contrary, is necessarily embedded in (relatively) coherent and long-lasting institutional ensembles susceptible of undergoing fully-fledged disintegration. These institutional ensembles must, for a time,

guarantee sustained capital accumulation and surplus-value extraction by the capitalist class. However, a point is always reached at which those institutions stop promoting further growth to start functioning as barriers to it. When the underlying social contradictions cannot be successfully contained any longer by the existing institutional architecture, the decomposition of the latter carries with it a generalized breakdown of associated social consensuses. That is, systemic crises eventually turn into organic crises. Despite the various social processes partaking of the social totality enjoying different temporalities, not amenable to be subsumed under a great master line of historical development, they are nonetheless ultimately threaded up together, however loosely. It follows that capitalist History is marked by a succession of periods of relative institutional stability followed up by others of intense social turmoil where profound institutional transformation is not the exception but the norm.

Laclau's (1990 : 39, 67) claims about 'the uncontrolled rhythm of capitalism', about its 'accelerated tempo of social transformation and the continual rearticulatory interventions the latter demands', or about 'the proliferation of dislocations peculiar to advanced capitalism' seem hardly a good substitute for Marxist long-wave theory which, whatever its shortcomings, is better positioned to provide a valid periodization internal to capitalism by paying explicit attention to actually-existing institutional arrangements. Discourse theory self-consciously ignores the evolution, as well as the internal contradictions, of the capitalist accumulation process under the presumption that, if they did not, that would imply positing an (illegitimate) essential ground upon which all other social processes would be ultimately referred. It thus comes as no surprise that, having done away with any notion of an underlying institutional structure, they are led to reinterpret Gramsci's notion of organic crisis as 'a general breakdown of hegemony, conceived as a unifying symbolic order' (Rustin 1988 : 159) with no ties with underlying material

processes. In the words of Laclau (Laclau 1990 : 28): 'The 'necessity' and 'objectivity' of the social would depend on the establishment of a stable hegemony, with the periods of 'organic crisis' characterized as those in which the basic hegemonic articulations weaken and an increasing number of social elements assume the character of floating signifiers'.

Responding to the lack of conceptual means in Laclau and Mouffe (2001) with which to appraise structural crises, Laclau (1990) introduced the category of 'dislocation' (Harrison 2014 : 51). However, for the category of dislocation to be of any use for social theory, it would be necessary to differentiate between, on the one hand, dislocation *qua* effect of the differential constitution of every social system and, on the other, dislocation *qua* profound and wide-ranging decomposition of a given social order, i.e. the institutional mechanisms grounding and organizing social co-existence. Recognizing the ultimate relevance of the latter, however, would require acknowledging the existence of an underlying structure, however transient and incomplete, whose internal tempo modulates the various patterns of social transformation undergone by co-existing social processes. Denying its existence altogether implies that, for instance, the different opportunities and constraints imposed upon political intervention by the onset of the Great Recession cannot be properly conceptualized with conceptual means internal to discourse theory, nor the ultimate reason why several political demands currently remain 'unsatisfied', thus opening the way for those populist interventions that discourse theory takes as one of its central theoretical preoccupations. Again, it is Laclau's 'radicalization' of the Althusserian legacy that is to be blamed for this substitution of a

proto-psychotic social temporality for a syncopated pattern of historical transformation.[23]

The Althusserian social totality is one constitutively decentered because its various composing instances cannot be reduced to any ultimate common essence. On the contrary, each instance is 'relatively autonomous' so that their respective lines of historical becoming cannot be ultimately subsumed under a common temporality. However, as noted above, Althusser's social totality is not a mere amalgam of discrete elements but, on the contrary, a complex structured unity, so that 'the fact that each of these times (…) is *relatively autonomous* does not make them (…) *independent* of the whole: the specificity of each of these times (…) is based on a certain type of articulation in the whole, and therefore on a certain type of *dependence* with respect to the whole' (Althusser and Balibar 2009 : 111). By doing away with any notion of an underlying social structure, discourse theory is ill-fated to appraise the relations of mutual co-implication existing among the various social processes constituting the social totality. Positing a rigid alternative between, on the one hand, an unilinear and teleological conception of historical processes and, on the other, a multiplicity of social processes with no discernible common trajectories, discourse theory remains unable to apprehend the '*intertwining of the different times* (…) i.e. the type of 'dislocation' and torsion of the different temporalities produced by the different levels of the structure, the complex combination of which constitutes the peculiar time of the process's development' (Althusser and Balibar 2009 : 116). In sum, by denying any systemic study of the capitalist machine due to its alleged essentialist implications, Laclau ends up not 'radicalizing' the Althusserian project, as purportedly attempted to, but, on the contrary, denying the very possibility of social sciences altogether.

[23] 'A discourse incapable of generating any fixity of meaning is the discourse of the psychotic' (Laclau and Mouffe 2001 : 112)

3.4.4 The Aporias of Populism.

The last point we would like to call attention to are certain ambiguities arising from Laclau's conception of populism. As previously noted in the first section of the current chapter, Laclau understands populism as a formal logic regulating the constitution of political identities in times of sharp institutional disintegration. To recap, populism is argued to be a prominent modality of constitution of novel political identities in times marked by the simultaneous emergence of a wide variety of initially heterogeneous demands the existing institutional order cannot satisfy, so that a possibility emerges that those demands be articulated into a new political identity grounded upon their common rejection by the existing order. However, by not grounding their emergence upon its underlying socioeconomic conditions of existence, certain theoretical ambiguities arise.

Firstly, it follows from Laclau's (2005b, 2005a) theoretical account of populist phenomena that the more or less simultaneous and widespread emergence of unsatisfied demands is a necessary precondition of populist articulations. Otherwise, there would be no room for their transitory 'equivalence', produced by virtue of their common dissatisfaction, to coalesce into a newly-emerging popular identity. However, one wonders, why does the existing institutional order suddenly stop being able to satisfy those demands in the first instance, so that populist equivalential logics can operate? Is it an ever-present threat in whichever political community? Is it instead an ever-present possibility only within societies where capitalism regulates social reproduction? Or, perhaps, does this situation reflect the political stakes in those moments under capitalism where the latter's self-reproduction is complicated to the extreme (i.e. systemic crises)? By grounding Laclau's understanding of populism upon the political economy tradition, we argue, these apparent aporias might be

led to a fruitful resolution. Later on, we will explore in much greater detail the existing connections between populism and systemic crises under capitalism.

Moreover, a second problematic issue can be identified regarding the capacity of populist logics to initiate a process of institutional decomposition. On the one hand, Laclau has consistently entertained the idea that the political is ultimately constitutive of social relations, either by acknowledging that it has a 'primary structuring role' (Laclau 2006 : 664), or by defining it as the 'instituting moment of society' (Laclau 1996a : 47). On the other hand, Laclau's recent work has virtually equated the political with populism when asserting that 'populist reason (…) amounts (…) to political reason *tout court*' (Laclau 2005a : 225). Therefore, if the political is constitutive of social relations and populism represents the quintessence of the political, it should follow that the operation of populist logics should be sufficient to trigger the deinstitutionalization of a given social order or, at least, to effect significant changes upon its most general coordinates.

However, several other passages from *On Populist Reason* seem quite conducive to an opposite conclusion, for the supposed primacy of politics would seem not be so as it is indicated that 'some degree of crisis in the old structure is a necessary precondition of populism' (2005a : 177). Furthermore, Laclau (2005a : 191) asserts that 'when we have a highly institutionalized society, equivalential logics have less terrain on which to operate; as a result, populist rhetoric becomes a commodity lacking any sort of hegemonic depth'. Therefore, as Arditi (2010 : 494) has noted, 'if the political has a primary structuring role, then it must also be able to trigger a de-institutionalization of the given system instead of depending of the presence of a crisis to generate its subversive and reconstructive effects'. Again, one wonders what that 'degree of crisis' Laclau speaks of amounts to in the end, as well as what 'old structure' ultimately refers to, as the very

possibility of a social structure underlying the play of differences seems to be forbidden by post-Marxism's own theoretical premises. Grounding the latter upon capitalism's constitutive features and institutional requirements might help not only to clarify these issues but also to push post-Marxist discourse theory beyond its own self-imposed limits.

Let's recap. It is our contention that Laclau's revision of Marxist theory, while certainly successful in recasting the study of political interactions along markedly non-essentialist lines, appears nonetheless seriously flawed, on the one hand, by an over-simplistic account of the actual diversity of social institutions and, on the other, by an insufficient consideration of the extent to which capitalism's internal dynamics affect the diachronic evolution of the societies under scrutiny. The intra-theoretical effects of the omissions just indicated can be observed, we contend, in a number of areas of his work. It is precisely the need to theoretically confront these issues that which motivates our having recourse to SSA theory. However, before attempting a sort of synthesis among the two, it is necessary to review in detail what the pitfalls of SSA theory are in our view, and how the latter would profit from incorporating certain Laclauian insights. To these issues the next chapter is devoted.

4. SOCIAL STRUCTURES OF ACCUMULATION THEORY. A RE-ASSESSMENT.

This chapter will attempt to prepare the terrain for a reformulation of SSA theory along anti-essentialist lines with the help of certain theoretical elements from the work of Ernesto Laclau. Firstly, SSA theory's two initial formulations will be reviewed. While they helped define the initial shape of SSA theory in its early stages, some internal assumptions prevented an accurate appreciation of the historical novelty represented by neoliberalism during the last decades. In relation to the former, secondly, the reformulation introduced by Wolfson and Kotz will be presented, as it permitted to overcome such limitations in order to study the historical specificity of neoliberalism in its own right. While their version does represent a clear improvement with respect to previous formulations, there are still some internal problems, in our view, which to a certain extent reduce its explanatory potential. To that extent, thirdly, we will outline two separate criticisms related to some essentialist traits we find in their approach, namely, the risks involved in privileging the capital-labor contradiction regarding the formation of new political subjectivities over other social conflicts and the risk of downplaying the domain of historical contingency in their schemes of long-term historical transformation.

4.1 THE FIRST TWO VERSIONS.

Initial formulations of SSA theory postulated the existence of an interlocking set of institutions, displaying internal relations of complementarity, whose existence signaled the presence of favorable conditions for sustained capitalist economic activity over the long run. The integrated and self-reinforcing character of their articulation granted the resulting institutional configuration the capacity to be jointly reproduced over time. Its eventual dissolution would indicate increasing difficulties for continuing capitalist activity, thus giving rise to identifiable stages within capitalist history. Despite their multiple commonalities, two different strands of early days' SSA theory can be identified. Their most relevant difference derives from the nature of the ultimate role institutions are supposed to play in fostering systemic reproduction. On the one hand, Gordon et al. (1982) stress the necessary requirements of predictability and institutional stability capitalists demand for productive accumulation to proceed. On the other, Bowles et al. (1983, 1990) lay their emphasis instead upon the role institutions play in securing and safeguarding capitalist class´s power over other social groups. We will analyze each in turn.

4.1.1 Segmented Work, Divided Workers.

The publication of *Segmented Work, Divided Workers* (1982) by David Gordon, Richard Edwards and Michael Reich represented the first systematic exposition of SSA theory to date. Aiming at providing an explanation for the systematic recurrence, in societies where capitalism is the dominant mode of production, of long periods of (relative) institutional stability followed up by others marked by intense social upheaval and institutional transformation, they drew from various intellectual sources. From Marxist political economy, they derived their understanding of capitalism as an inherently

conflictual system, plagued by several internal contradictions manifested in recurrent blockages upon the accumulation process; from Keynesian economics, their view of investment decisions as being inherently unstable, subject to diachronic fluctuations derived from changing expectations and recurrent imbalances between consumption and investment; from institutional economics, they drew the impossibility to fully dissociate economic activity from the overall social environment in which it finds itself embedded and, lastly; they took from the pre-existing Labor Market Segmentation literature their analyses of the labor process as being grounded upon existing capitalist-induced divisions within the working class.

It was argued that capital accumulation cannot take place in an institutional vacuum, as neoclassical economics would contend, but, on the contrary, it needs a set of institutions supporting it: 'The accumulation of capital through capitalist production cannot take place either in a vacuum or in a chaos. (…) Without a stable and favorable external environment, capitalist investment in production will not proceed' (Gordon, Edwards, and Reich 1982 : 23). In a recognizable Keynesian fashion, it was argued that individual capitalists' microeconomic investment decisions were necessarily undertaken in an environment plagued with uncertainty, so that institutions were needed in order to, on the one hand, stabilize the various links existing between capital accumulation and other social processes and, on the other, ensure a minimum degree of predictability about the expected rates of return of the aforementioned investment decisions. A SSA, therefore, referred to 'all the institutions that impinge upon the accumulation process' (Gordon, Edwards, and Reich 1982 : 23).

These institutions ought to display some degree of internal coherence for their joint reproduction over time to be secured. However, sooner or later, the symbiotic relation between this institutional architecture and capitalist accumulation and/or growth

will come to an end, for 'successful capital accumulation ultimately either runs up against limits imposed by the existing institutional structure or begins to destabilize that structure' (Gordon, Edwards, and Reich 1982 : 29). Once these limits are reached, economic activity will not proceed as it used to, giving rise in turn to a new period marked by widespread social contention to determine the institutional underpinnings of the next period of long-lasting institutional stability. It thus follows that successive SSAs ultimately correspond to distinct and identifiable stages of capitalism[24]:

> A stage of capitalism can be conceived as the ensemble of economic, political and ideological institutions which serve to reproduce capitalist relations of production and accumulation. This is the definition of the SSA. Capitalism proceeds from one stage to the next when the SSA undergoes disintegration, producing crisis. The crisis can only be resolved through the construction of a new SSA, inaugurating a new stage of capitalism. The successive stages of capitalism are thus the successive SSAs in capitalist history' (McDonough 1994a : 80).

As a theory of capitalist stages, SSA theory represented significant theoretical advancements when compared with previous formulations. On the one hand, the emphasis on cyclical regularity of the first versions (e.g. Kondratieff 1935; Schumpeter 1939) was abandoned in favor of an explicit recognition of historical contingency, thus preventing any ex-ante prevision of capitalist stages' temporal duration. On the other, single-factor explanations of long-swing were abandoned by situating the resulting institutional structure, together

[24] Although initial formulation of SSA theory were concerned with the existence of 'long swings', greater recognition of the role played by historical contingency shifted the focus to 'capitalist stages' instead, due to the former's implicit assumption of cyclicality and/or regularity regarding its diachronic evolution.

with the interrelations among its components it contains, at the very center of the analysis. However, several theoretical issues were left unspecified or, at least, unsatisfactorily addressed.

Firstly, no clear indication was provided regarding which institutions ought to be considered as integral parts of an SSA, and which others were to be considered external to the former. Gordon et al (1982 : 23-4) provide a list of twelve different institutions satisfying diverse requirements of a well-functioning accumulation process, ranging from the system of money and credit, through the labor process, to the pattern of state involvement. This 'laundry list approach' (Kotz 1994a : 54) would need to be supplemented by some sort of immanent theoretical criteria specifying the conditions determining whether one institution deserves to be included within the list of constituent institutions. Otherwise, it merely stands as a discretionary list of various elements with no theoretically-specified relations among themselves. Secondly, it is no clear what is it that grants the ensuing list of institutional requirements some sort of internal unity. Without specifying the ultimate nature of their interconnection, SSA theory is unable to play the role assigned to it as a theory of capitalist stages for, as McDonough has noted, 'a SSA as a whole can only experience breakdown if it contains some internal unity which is in turn susceptible to disintegration' (McDonough 1994a : 77). These issues will be dealt with in much greater length in the following sections of this chapter.

4.1.2 Capitalist Power at the Center of the Analysis.

Soon after the publication of *Segmented Work, Divided Workers* a distinct, but clearly interrelated, strand of SSA theory emerged in subsequent publications (e.g. Bowles, Gordon, and Weisskopf 1983, 1986, 1989, 1990; Gordon, Weisskopf, and Bowles 1987; T. E. Weisskopf, Bowles, and Gordon 1985). The conflation of successive

SSAs with equally successive capitalist stages is here maintained, as well as the existing link between a well-operating SSA and high rates of growth and/or accumulation, but this time the crucial role played by its constituent institutions is not restricted to granting the required levels of predictability and stability for individual capitalists to reinvert their profits in productive activity but, instead, the focus is now shifted to the role institutions play in securing capitalist power against competing social groups. It ensues a definition of SSAs as 'the institutional structures which regulate both the conflicting interests in the profitmaking process and the closely associated process of accumulation and growth' (Bowles et al. 1989 : 112)

They picture capitalist societies as comprising several distinct social groups with antagonistic interests, of which the capitalist class is deemed to be the most relevant when appraising societies' historical evolution: 'Capitalism may be insightfully analyzed as a contradictory system of power relationships that evolves in large measure through the continuing but changing forms of class struggle, international conflict and other tensions to which its structure gives rise' (Bowles et al.1986 : 157). The role of SSAs in securing capitalist power affects the level of the profit rate which, in turn, conditions the level of productive investment that is to be obtained by such institutional structure: 'Profitability conditions the pace of accumulation which in turn substantially regulates the rate of economic growth' (Gordon, Weisskopf, and Bowles 1987 : 47). It thus follows that profits are eminently political in nature, a result of the capacity of the capitalist class to fight back competing claims by subordinate social groups: 'Profits are (…) a deduction from net output made possible by the power of the capitalist class over other economic actors with which it deals. (…) It may be illuminating, then, to consider profits as the spoils of a three-front war fought by capital in its dealings with workers, foreign buyers and sellers, and the state (or indirectly with the citizenry)' (Bowles et al. 1986 : 137).

Their analysis of the Postwar SSA in the US is illuminating in this respect. Bowles et al. (1983) argue that it comprised three main institutional pillars, each reflecting the temporary stabilization of the relations between the capitalist class and the remaining social groups with which it necessarily had to interact. Firstly, the 'Capital-Labor Accord' accepted unions as legitimate representatives of workers' interests, sharing with capital the gains derived from rising productivity, in exchange for, on the one hand, the purge of the most militant unions and, on the other, absolute control by capital over the management of the labor process (Bowles et al. 1983 : 70-5). Secondly, the 'Capitalist-Citizen Accord' permitted greater State's involvement directed at alleviating some of the most pervasive side-effects of a market economy (i.e. granting a minimum of economic security to the general population, an explicit commitment to reduce macroeconomic instability) in exchange for not questioning capital accumulation requirements as the supreme guide of public policy (Bowles et al. 1983 : 75-9). Thirdly, the dominion of the US worldwide, which the authors termed '*Pax Americana*', ensured a steady supply of the raw materials needed for expanding US industrial production, at the same time that US's foreign aid served as a primary source of demand for US exports (Bowles et al. 1983 : 65-70). Lastly, Gordon et al. (1987 : 46) contended that 'capital's ability to fight effectively on these three fronts will further be affected by the intensity of inter-capitalist competition, determining how tightly and cohesively its troops are organized for battle', thus adding a fourth pillar to the Postwar institutional architecture, the 'Moderation of Inter-Capitalist Rivalry', where attenuated competition, in the form of eminently oligopolistic markets, together with a considerably stable and rising aggregate demand, granted capital long-term horizons when planning their investment decisions.

One of the most important corollaries to this strand of SSA theory is the postulate that no perfect balance will ever be found, in the long

run, regarding the strength of capital relative to other subaltern social groups. Internal contradictions may be managed and/or pacified, but never completely eradicated: Capital can be either 'too strong' or 'too weak' (T. E. Weisskopf, Bowles, and Gordon 1985; Gordon, Weisskopf, and Bowles 1987). In the former case, when capital is 'too strong', it can skew the income distribution to its favor, thus compromising its most relevant sources of aggregate demand. In this case it gives rise to 'underconsumption' crisis tendencies, ultimately leading to crises of surplus-value realization. On the contrary, when capital is 'too weak' working class action reduces the rate of exploitation, squeezing existing profits and thus compromising further investment, ultimately giving rise to crises in surplus-value production. This theoretical intuition will be widely used in subsequent reformulations of SSA theory, including our own.

While the emphasis upon the relation existing between the social determination of economic surplus and co-existing political struggles is one we definitely favor, the understanding of power these authors put forwards is remarkably at odds with the post-Althusserian, post-foundationalist approach we are here advocating. For in their framework power appears as something external to agents, something they can make use of, instead of something that constitutes them as agents in the first place. Moreover, their interest in econometric modelling leads them to impute to agents a type of rationality perhaps too reminiscent of neoclassical rationality (Norton 1988). Although indisputably more nuanced and complex than the orthodox approach, agents' interests appear *a priori* fixed and immutable, thus leaving virtually no room for relatively autonomous political logics to operate. This reductionist understanding of political interaction, which abstractly determines agents' behavior without properly acknowledging the constitutive role of contingent social logics regarding those agent's very identity, as well as their interests, will be one of our main axes of contention with SSA theory.

4.2 THE RIDDLE OF NEOLIBERALISM: WOLFSON AND KOTZ'S REFORMULATION.

Both versions of SSA theory were elaborated at a time when the decay of the Postwar SSA in the US seemed to be self-evident. The smooth functioning of capitalism that had hitherto characterized the three decades after 1945 in the main Western economies was being interrupted at the time by an accumulation of both internal and external imbalances. Discerning which shape those economies would be taking in the coming years was one of the main aims of the theory.

In this context, emerging as a middle-range theory trying to account for capitalism's diachronic and synchronic variety, it inevitably took the Post-war period as a historical standard against which to measure other historical stages.[25] Both Gordon et al.'s (1982) version, which focused, in sharp Keynesian fashion, upon how an established SSA reduced the inherent uncertainty and instability affecting the capitalist accumulation process, as well as Bowles et al.'s (1983, 1986) slight reformulation of the former, which emphasized the ability of institutions to secure and enhance capitalists' power, linked the successful establishment of a SSA with ensuing high accumulation and growth rates in the economy as a whole. Whereas those links seemed to characterize the Post-War period in most Western economies, neoliberalism has not been showing high rates of accumulation nor high rates of growth, thus apparently questioning one of the central tenets of the theory.

After a decade of intense institutional restructuring in the 1980s, it seemed clear that a new coherent institutional ensemble had been put in place by the early 1990s, although its performance in terms of growth appeared considerably poor in relation to the previous long expansion. Therefore, the early formulation of SSA theory seemed to

[25] See Mavroudeas (2006) for the difficulties implicit in 'middle-range' theories when trying to account for capitalism's diachronic variation.

be in need of reformulation. Lippit (1997) and Reich (1997) argued that a new institutional structure had consolidated from the 1980s onwards, once the negative effects of the 'Great Repression' (Bowles, Gordon, and Weisskopf 1983) in terms of growth had been overcome. The apparent success of the 'New Economy' in the United States led others to follow these same conclusions (e.g. Kotz 2003a; McDonough 2003).

However, in a series of articles, Phillip O'Hara (2006) defended the view that U.S. neoliberalism had been generating too much systemic instability, as well as recurrent recessions, to be considered a successful SSA. He argued that financial deregulation, one of the main pillars of the new institutional structure, had been generating too much financial instability; labor productivity growth had been sluggish all throughout the period in question; and he found no empirical correlation between growth rates across countries and the implementation of neoliberal policies or with the transnationalization of firms. Contrary to these views, we argue in favor of understanding neoliberalism as a successful SSA due to its duration, its ability in promoting profit making, and, crucially, the high degree of complementarity shown by its constituent institutions.

To incorporate O'Hara's criticisms within the SSA framework, Kotz (2003b) and Wolfson (2003) severed the link between institutional stability and rapid growth and/or accumulation that had characterized SSA theory's earlier versions. They introduced the concept of Institutional Structure (IS), understood as a 'coherent set of economic, political, and cultural/ideological institutions that provide a structure for capitalist economic activity. [It] supports the appropriation of surplus value, the pursuit of which drives the circuit of capital. Surplus value has various uses, one of which is the accumulation of capital' (Kotz 2003b : 264). Therefore, they displaced the focus of the analysis from the accumulation process to the circuit of capital. Well-functioning SSAs ought to protect the main interest of

individual capitalists, that is, to guarantee a sustained appropriation of surplus-value.

Therefore, it is implicit in their formulation that the *pace* of capital accumulation at the aggregate level is not a 'core' interest of individual capitalists but a by-product of their aggregate individual decisions. Hence, while some institutional ensembles might foster rapid accumulation, others might be successful as well in the sense of securing surplus-value appropriation despite not yielding a high rate of aggregate growth. Furthermore, the resulting institutions must show a certain degree of internal coherence: 'The economic, political, ideological, and cultural institutions of any SSA are mutually compatible and supportive of each other' (McDonough et al. 2010 : 2), so that a unified and internally coherent ensemble results. Wolfson and Kotz (2010 : 80) postulate that the ultimate rationale for its internal coherence is given by the role played by institutions in (temporarily) stabilizing the core contradictions of capitalism, that is, that between capital and labor as well as those internal to each class.

When grounding their theoretical reformulation, Wolfson and Kotz (2010) claimed that in Gordon et al.'s (1982) seminal contribution, there is an unjustified theoretical leap from a qualitative discussion of the support provided by institutions to the circuit of money-capital, to quantitative remarks on the pace of capital accumulation. Whereas the circuit of money-capital is usually symbolized as M—C—C′—M′, the last term M′ is not yet money-capital, as Gordon et al. (1982) seem to assume, but money-revenue. Capital accumulation will only take place if money-revenue is put back into the first stage of the circuit of money-capital, that is, if it becomes money-capital again (Kotz 2006). Precisely, the conditions determining the transformation of money-revenue into money-capital will constitute the main criteria to distinguish among different ISs.

Accordingly, they posit the existence of two types of IS, a Liberal Institutional Structure (LIS) and a Regulated Institutional Structure

(RIS). Whereas the former will be characterized by a clear dominance of capital over labor, cut-throat competition among capital units, limited regulation of market forces by the State, and a "free-market" and individualist ideology, the latter will exhibit a certain degree of cooperation between capital and labor, active involvement by nonmarket actors in regulating the economy, co-respective behavior among capitalists, and a dominant ideology defending the "mixed" management of the economy. Under this scheme, the postwar SSA would qualify as a Regulated IS, whereas the Neoliberal SSA would qualify as a Liberal IS. Despite both institutional frameworks securing the systematic appropriation of surplus value by individual capitalists, only Regulated SSAs will also promote high rates of capital accumulation, as the anarchic, cut-throat inter-capitalist competition that characterizes Liberal SSAs causes a high degree of instability that eventually discourages the reinvestment of surplus value into the circuit of money-capital.[26]

With this distinction in mind, a wide agreement has emerged in the literature regarding the characterization of neoliberalism as a coherent institutional structure that has enabled capitalism to secure a growing appropriation of surplus value, despite not having fostered high rates of economic growth. However, there has been a certain degree of variation in identifying the key features of this neoliberal SSA, and, thus, the ultimate source of its historical specificity. Some have pointed out the intimate link between neoliberalism and heightened global economic integration (McDonough 2003; Nardone and McDonough 2010); the growing relevance and power of financial capital (Tabb 2010); the reconfiguration of the labor process due to the continuous threat of spatial relocation facilitated by the global

[26] Although both Wolfson and Kotz initially employed the term 'Institutional Structure', Wolfson and Kotz (2010) already adopt the term 'Social Structure of Accumulation' instead. However, the term now appears as completely devoid of connotations regarding the *rhythm* capital accumulation will display.

integration of the circuit of capital (Wallace and Brady 2010); a new alliance between managers and financial capital, replacing the old "capital-labor accord" (Boyer 2010); or the new conditions of international competition being faced by Big Capital (Kotz 2002). Notwithstanding a certain disagreement in identifying which is the key institutional trait of the neoliberal period, there is a wide agreement over most of its main institutional features. A comprehensive list is provided by Lippit (2014), who singles out seven main features characterizing the neoliberal SSA: strengthening of capital relative to labor, growing importance of financial innovation and speculation, limited government action, deregulation of market activities, globalization of trade and investment, corporate restructuring through the financial sector, and lastly, capital markets favorable to entrepreneurial companies.

However, the relatively long lifespan of the neoliberal SSA does not mean that it does not contain internal contradictions. Quite the contrary, it is precisely its ability to contain and displace such severe contradictions that forces us to qualify it as a successful SSA. Kotz and McDonough (2010) identify seven of such contradictions:

1. A growing imbalance between rising profits and stagnating wages.
2. The speculative nature of the financial sector.
3. A tendency for asset bubbles to emerge due to growing concentration of wealth and limited real investment opportunities.
4. A high degree of global integration that synchronizes the business cycles of the major countries.
5. The Dollar as global reserve currency, together with persistent U.S. Balance of Payments' deficits.
6. Capital domination over labor, which may prompt radical class rebellion.

7. Depletion of natural resources and risk of climate change.

The severity of these contradictions eventually led to the financial crisis of 2008, which marks the beginning of the systemic crisis of the neoliberal SSA. Its abrupt occurrence is characteristic of Liberal SSAs, where the growing imbalance between stagnating real wages and increasing labor productivity harbors a major contradiction between the necessary conditions for the creation of surplus value and the conditions for its realization (in Keynesian terms, a lack of aggregate demand). This situation would have led to a major implosion of the neoliberal SSA were it not because it was ultimately counterbalanced by two other main institutional pillars of the neoliberal SSA, and of any LIS in general, namely, an increasingly autonomous financial sector prone to highly speculative and risky activities, and an inner tendency for asset bubbles to emerge. Hence, the same developments that threatened the occurrence of a crisis of underconsumption, due to the systematic transfer of income and wealth toward the upper layers of the distribution, set the conditions that allowed for both a debt-financed consumption explosion in times of wage repression and a situation of overinvestment due to an excess of available funds mixed with a general climate of euphoria within the capitalist class.

The neoliberal SSA renders clear the degree to which an SSA's very stability is granted by the mutual containment and sustainment of its composing contradictions, that is, it is the degree of complementarity and mutual co-implication among its internal contradictions that which grants stability to the whole. The assertion that the current crisis symbolizes the decay of the neoliberal SSA due to the internal implosion of its contradictions finds virtually no objection within the SSA literature (e.g. Kotz 2010a, 2015; Lippit 2010, 2014; Nardone and McDonough 2010). SSA theory firmly concludes that a period of heightened conflict and struggle among

different groups is a necessary corollary to any process of SSA decomposition, the final outcome of which cannot be known in advance by looking exclusively at the development of its internal contradictions

We argue that, despite the several merits present in Wolfson and Kotz's (2010) reformulation, certain issues related to the length of the crisis period, the structure and form of its internal struggles, and the degree of path-dependency in the process of institutional restructuring, which to a certain extent have permeated SSA literature since its inception, remain in need of further theoretical clarification and reformulation. In the next two sections, the work of Laclau will be used to illuminate some of these issues related to the ultimate nature and development of institutional change and social transformation.

4.3 Overdetermination. From the Heterogeneity of Struggles to Internal Unity.

SSA theory contends that profound and wide-ranging institutional restructuring should follow the disintegration of the neoliberal SSA. However, to think about radical institutional change within the SSA framework and comprehend what can change within it, it becomes necessary to analyze the conditions given in the literature to ascertain the unity and internal coherence of a given institutional ensemble. It has already been noted above how Gordon et al.'s (1982 : 24) definition of SSAs as 'all the institutions that impinge upon the accumulation process' was intrinsically flawed, as it was not supplemented by any intra-theoretical criteria determining the precise conditions required for any single institution to be included within the list, nor any indication was given about the nature of their interrelation, that is, about what turned an amalgam of elements into a (more or less) coherent whole. Thus, by not integrating them into a unity, they leave the theory ill-suited to account for long swings of

capital accumulation: 'Without a theory of the SSA as a whole, the SSA is unable to play the role assigned to it in the explanation of long waves. (...) An SSA as a whole can only experience breakdown if it contains some internal unity which is in turn susceptible to disintegration' (McDonough 1994a : 74).

It is this theoretical inconsistency that both Kotz (1994a) and McDonough (1994a) aimed at offering an answer to. Kotz (1994a) argued that the institutional integrity of a given SSA is due to the existence of a set of 'core' institutions, those that manage to stabilize the conflicts inherent to capitalist relations of production (class conflict and intraclass competition). Only these 'core' institutions must necessarily be in place at the beginning of a new long expansion, while the 'peripheral' ones will be added subsequently as the upsurge of capital investment consolidates itself. Therefore, according to Kotz (1994a) stabilizing class conflict and competition is at the core of SSA formation and durability. It follows that the institutions directly implicated in such 'pacifying' activity ought to be in place at the beginning of the expansion-phase, as well as to show a high degree of stability throughout such SSA's timespan.

In contrast, McDonough (1994a) offers a qualitatively different answer to the nature of SSA integrity. He asserts that each SSA is always configured around a single institution or event that serves as its 'unifying principle', historically contingent and unique to each SSA. Hence, he parallels Kotz in identifying a limited set of institutions or events that can account for SSA's unity. Nevertheless, these are not related to any structural feature of the capitalist mode of production, but rather to a contingent event whose ultimate nature is left unspecified. For instance, the Postwar SSA in the US would have been anchored around the 'unifying principle' of World War II which, despite conditioning the nature of the remaining institutional buttresses of that SSA, did not have any direct relation to the circuit of capital or to the accumulation process (McDonough 1994b).

With respect to its seminal formulation by Gordon, Edwards, and Reich (1982), these two approaches offer compelling advantages to think of radical institutional change within the SSA framework. On the one hand, Kotz stresses the inherently conflictual nature of social relations under capitalism, which thus conditions and limits the possibilities existing at the purely political level to undertake institutional and social transformation. Only an institutional arrangement that pacifies the inherently conflictual relations between capital and labor will be able to consolidate itself in the long term. On the other hand, McDonough's intervention can be read as an invitation to acknowledge the relevance of the external environment in which accumulation takes place, while at the same time escaping from certain teleological Marxist narratives that limit the scope of strictly political action in redefining the contours of social life under capitalism.

In our view, Kotz's understanding might prove to be too narrowly confined to class relations, thus obliterating the ultimately heterogeneous and incommensurable nature of social conflicts in contemporary capitalism, while McDonough might be advocating for a too open approach, as virtually no limits are set to the nature of the events or institutions that can function as a unifying principle for a newly emerging SSA. Furthermore, as Lippit (2010) has pointed out, while Kotz can correctly account for the interrelation between different institutional spheres through a partition between 'core' and 'periphery', he cannot properly account for the structural integrity of a SSA, as no indication is provided regarding the mode of interrelation between the two, nor about the existing constraints for the emergence of 'peripheral' institutions once the 'core' ones are already well-stablished. McDonough, by directing his attention to a single unifying principle, manages to avoid that problem.

Although these two contributions constitute a significant advancement with respect to previous accounts in the SSA literature,

they are still grounded upon a conception of SSAs that links institutional stability to high aggregate rates of growth and/or accumulation. As it was argued above, this framework needed to be modified to account for the specificities of the neoliberal SSA. The modifications introduced y Wolfson and Kotz in the SSA framework in order to account for the sluggish rates of both aggregate economic growth and labor productivity growth that characterize the neoliberal SSA have already been commented upon above. The stability and persistence shown by the neoliberal SSA led them to reinterpret an SSA as a 'coherent institutional structure that supports capitalist profit-making and also provides a framework for the accumulation of capital, but it does not necessarily promote a "rapid" rate of capital accumulation' (Wolfson and Kotz 2010 : 79).

Thus, in their formulation Wolfson and Kotz build upon Kotz's (1994a) previous insight that the 'core' institutions of each SSA are those that manage to stabilize class conflict and competition, while enlarging it to the extent that 'the institutions that constitute an SSA, including those of neoliberalism, reflect the (temporary) stabilization of the contradictions of capitalism' (Wolfson and Kotz 2010 : 80), by which they mean contradictions internal to each class and, above all, that between capital and labor. On the other hand, whereas Kotz (1994a) could not satisfactorily account for SSA's internal unity, Wolfson and Kotz (2010 : 80) somehow build upon McDonough's (1994a) 'unifying principle' to assert that 'the stabilization of the contradiction between capital and labor provides the foundation for the institutional restructuring that produces a new SSA'. Therefore, pacifying/stabilizing capitalism's central contradiction between labor and capital becomes the cornerstone of each new institutional structure, whose ultimate goal is to support the process of capitalist profit-making, thus, implicitly framing the process of capital accumulation.

At this point, two objections ought to be posed to the framework presented by Wolfson and Kotz (2010). The first one is related to their privileging of the capital-labor contradiction, and the second one to a somehow veiled historical determinism. It is argued here that, in order to possibly overcome some of these limitations, having recourse to Laclau's work on these questions might prove to be a useful exercise.

4.3.1 Privileging the Capital-Labor Contradiction.

Wolfson and Kotz (2010 : 80) conceive the capital-labor contradiction to be 'the most important contradiction in capitalist society, [whose stabilization] provides the foundation for the institutional restructuring that produces a new SSA', an assertion at odds with the anti-essentialist approach advocated here. From the assertion that the central aim of any capitalist institutional structure is to stabilize the capital-labor relation so as to ensure the continuous extraction of surplus value by individual capitalists, it is illegitimate to derive that the stabilizing function of "*all* the stable institutional structures of a capitalist society" (Wolfson 2003 : 258, emphasis added) can be referred, in the last instance, to either between- or intra-class conflicts. This would imply introducing again, we contend, an economicist and essentialist tendency the initial formulations of SSA theory aimed at doing away with, as one particular conflict is posited to constitute the ultimate rationale for the multifarious institutional appearance of a given capitalist society. Despite the conflict between capital and labor being the most important one to understand social dynamics under capitalism, due to its constitutive role in the production process, not all conflicts can ultimately be referred to back to it. Contradictions, including that between capital and labor, never present themselves in isolation, but always appear blended with phenomena pertaining to other institutional spheres, so that there is a process of co-implication and mutual constitution between

contradictions pertaining to very different institutional domains, each reflecting the temporary fix of other contradictions. Indeed, these different institutional domains are but the reflexive effect of the successful stabilization or sedimentation of these contradictions, so that they cannot be ultimately reduced to one single principle. Whereas objectivity itself emerges out of the pacification of social contradictions, as Wolfson and Kotz would maintain, we disagree with positing one of them as the "hidden truth" of the rest.

On their part, Laclau and Mouffe (2001) constitute the last stage of a theoretical journey, starting with the work of Gramsci and Lukács within the Marxist tradition, which tries to come to terms with the radical heterogeneity and incommensurability of the struggles permeating any advanced capitalist society. Referring back this multiplicity of conflicts and antagonisms to the production process complicates our understanding of the potential lines of fracture in a given institutional ensemble. Certainly, the extraction of surplus value, and, thus, the production process, is a central moment of a capitalist social totality. However, a 'decentered' conception of totality, as first envisaged by Althusser (1969), which understands that each part of the social totality mutually constitutes each other, proves to be more useful to understand social dynamics than what Cullenberg (1999) terms 'Hegelian totality', which reduces every difference to the expression of a single dimension, and, thus, considers the variety of institutional spheres constituting the social to be only apparently autonomous. For instance, whereas struggles having to do with race, gender, or even generational conflicts such as that between pensioners and workers, are overdetermined by the institutional fix of the production process, they cannot ultimately be subsumed within the latter. The social peace that is needed to obtain a sustained extraction of surplus value over time cannot be reduced to the pacification and control of the labor process. The stability of aspirations and expectations that are needed for a smooth functioning of a capitalist

society also concern workers' identities as consumers, or citizens, or family members, and, therefore, needs the consent of all those identities whose relation to the production process is merely tangential.

Without a majority of agents assuming a certain degree of 'naturalness' regarding their respective roles in the social whole, the resulting level of social unrest would have utterly complicated the systematic appropriation of surplus value by the capitalist class. While stabilizing the conditions under which the production process is undertaken (most prominently, the capital-labor relation) is, indeed, crucial to attain a high degree of social peace in any capitalist society, it is the latter, we contend, that stands as the ultimate foundation for any long period of institutional stability under capitalism. Thus, while the reach of such social peace exceeds those struggles directly affected by the configuration of the production process, it simultaneously constitutes a *sine qua non* condition for the latter to function properly. In case these other (incommensurable) struggles were not correctly pacified, thus overflowing the existing institutional channels to deal with them, the resulting level of social turmoil would greatly compromise the sustained surplus-value extraction that is found at the very core of any well-functioning SSA.

Within the SSA literature, the voice that has put greater emphasis upon the relevance carried by non-class struggles to apprehend institutional stability is Victor Lippit's (2010, 2014): 'Society is the site of a multitude of conflicts, and the way in which these play out often bears on creating favorable conditions for accumulation without specifically seeking that objective' (Lippit 2005 : 35). However, this ought to be complemented by the archetypical Laclauian insight that a certain alignment among these differential conflicts must be produced. It is not implied here that they need to be eradicated, but that a relation among them ought to be established so as to ensure that each conflict's expression does not unsettle the stability of the social whole.

Therefore, institutions that channel these heterogeneous conflicts in an orderly manner are required, as well as a common set of expectations framing the relations among them.

Laclau's conception of hegemony as an articulatory practice refers to this political operation through which an element of commonality is produced among initially plural demands and subjectivities. Despite the variety of conflicts and struggles under capitalist-social relations being incommensurable in nature, that is, 'there is no single underlying principle governing the whole field of differences' (Laclau and Mouffe 2001 : 111), a relation among them ought to be established so that 'society' can be constituted as such.

Hegemony refers precisely to the establishment of a relation, discursive in nature, among heterogeneous demands/struggles through the construction of 'nodal points' or 'empty signifiers' that allow for a partial and contingent fixation of meaning, so that different social groups and demands conform to a totality where each is differentially integrated, resulting in a given sedimented objectivity. Despite these reflections being placed exclusively at the discursive level, the important insight here is that the basis for the aggregation of these differential conflicts does not rest in each conflict's own identity, but on an inherently political intervention for, despite 'the centrality of economic processes in capitalist societies, (…) capitalist reproduction [cannot] be reduced to a single, self-defining mechanism' (Laclau 2005a : 237). In sum, whereas the contradiction between capital and labor is the cornerstone around which any capitalist institutional structure is to be anchored, to appraise the conditions for institutional stability, and, thus, for social transformation, attention should not be directed exclusively to it, but to how initially plural subjectivities and antagonisms are articulated so that something in common among them emerges out of that very act of political articulation.

4.3.2 A Veiled Historical Determinism?

The second objection has to do with the hypothesized tendency of Liberal and Regulated SSAs to alternate periodically with each other (Kotz 2003b; Kotz and Wolfson 2004; Wolfson 2003). Building upon Polanyi's (1957) 'double movement', it is posited that 'the stabilization of the contradictions of capitalism has a certain coherence, which is represented either by the principle of the free market or the principle of regulation. Moreover, that coherence is shaped in large part by the stabilization of the fundamental contradiction between capital and labor' (Wolfson 2003: 259). Therefore, the two varieties of SSA differ on how the capital-labor contradiction is temporarily stabilized.

On one hand, Regulated SSAs show a tendency to 'profit-squeeze' crises due to the accumulation of demands over existing profits. Thus, crises would emerge due to capital being 'too weak' (Gordon, Weisskopf, and Bowles 1987). On the other hand, Liberal SSAs are characterized by capital being 'too strong', which tends to lead to 'over-production' crises, whose source can be found either in underconsumption, overinvestment, or asset-bubble crisis tendencies (Kotz 2009). Hence, as a result of the centrality granted to the stabilization of the capital-labor contradiction in understanding long-term social dynamics under capitalism, 'there seems to be a historical tendency for liberal SSAs to alternate with regulated SSAs' (Wolfson and Kotz 2010 : 85).

This apparent cyclicality and determinacy between Regulated and Liberal SSAs has received several criticisms. McDonough (2010 : fn13) remarks that, despite this formulation having a certain appeal at the theoretical level, Kotz (2003b) is forced to propose a questionable periodization of U.S. capitalism, while Lippit (2010) criticizes this cyclicality for focusing too narrowly on the capital-labor contradiction

while not paying due attention to non-class struggles as well as to other social processes external to capitalism's internal dynamics.

In our opinion, despite being defensible at the theoretical level that the inner contradictions and imbalances of each type of SSA can be correctly counterbalanced by the other one, there is a risk of this being just another way of imposing some sort of internal coherence and development to history. This would obliterate the role played in historical transformation by the constitutive role of politics and by historically contingent events whose occurrence cannot be accounted for by merely analyzing capitalism's internal dynamics. Moreover, the necessarily narrow set of historical observations (i.e., the four historical periods comprising capitalist history in the United States) makes theorizing an internal movement of history an inherently troublesome task. For instance, during the crisis phase of the postwar SSA in the United States, many took for granted a historical tendency toward an increasing role of the State in the economy, which implied that the historical specificity of neoliberalism took until it was already well established to be theoretically grasped (see Reich 1993). There is a risk that by adding a fourth observation to that sample, that is, the neoliberal capitalist stage, one could incur in the same sort of difficulties when trying to infer a historical tendency out of a small number of historical observations.

However, it must be noted that the apparent cyclicality of the theory might not be entirely so. Despite offering a periodization of U.S. capitalism that shows an alternation of both types of SSA, Kotz (2003b, 2006) initially suggested the possibility that capitalism tends to take the form of liberalism in the absence of special historical conditions that promote a regulated form. However, in later contributions (e.g. Kotz 2010a), both Liberal and Regulated structures are understood as the product of particular conditions. Commenting upon the emergence of the neoliberal SSA in the United States, he points out that a more corporatist way out of the crisis of the postwar

SSA could have been a possible solution, were it not for concrete historical factors: "It is not obvious that in the 1970s neoliberal restructuring was the only way, or the best way, to restore capitalist power" (Kotz 2010a). He indicates four such conditions to explain why history followed the path it did: a reference to an imagined perfect past that had certain appeal for big capital, the fact that socialism was no longer a threat to the dominance of big capital, the Great Depression seemed too far away for big capital to fear another system-threatening crisis, and, most important, the erosion of the monopoly power previously held by big capital in each country due to increasing globalization, which made them unable to benefit from the long-term advantages of a more regulated institutional structure. Therefore, it seems that no variety of institutional structure possesses a natural tendency of its own, as it always depends on the interaction of a wide variety of factors whose occurrence cannot be derived ex ante, that is, they are historically contingent.

Let us recapitulate the argument so far. It has been contended that, despite the many advantages present in Wolfson and Kotz's reformulation of SSA theory, it carries within two main complications to apprehend the terms of radical institutional change within the SSA framework. Namely, they are the privileges granted to the capital-labor contradiction to think of SSA formation and change, and certain presumptions of historical determinacy that run counter to SSA theory's initial aims. Indeed, the latter can only be maintained insofar as one holds to the former assumption. Refusing to grant such centrality to the stabilization of the capital-labor contradiction would render it impossible to postulate any sort of internal coherence to history by referring its evolution back to the expression of one single principle. In that respect, it has also been pointed out that there are indications, present in some of Kotz's contributions, that undermine the centrality given to the capital-labor contradiction, and, thus, to any indictment of historical determinacy.

As already mentioned before, Lippit (2005, 2010, 2014) has argued for a theoretical approach more proximate to that of Laclau, as defended here, regarding the scope of social processes that ought to be considered when appraising SSA's instability and change. Contrary to what he considers to be 'essentialist' accounts of SSA structural integrity given by Kotz (1994a) and McDonough (1994a), he refers to Gordon's (1980) early insight that what gives unity to a given SSA are the interrelations existing among its different institutional units. However, whereas Gordon seems to consider each institutional sphere as an isolated unit, Lippit argues in favor of the Althusserian concept of overdetermination, as reworked by Resnick and Wolff (1987), to apprehend the sources of SSA structural integrity, suggesting that 'each [institution] is shaped by and incorporates elements of the other institutions and social forces with which it interacts (Lippit 2010 : 55). That is, each institutional sphere is constituted by the joint interaction of all other spheres, together with other social processes and historical factors. Laclau (1990 : 24) points in the same direction when he asserts that 'what is not possible is to begin by accepting [the economy's] separate identity as an unconditional assumption and then go on to explain its interaction with other identities on that basis'. We argue that no privilege ought to be granted a priori to any given contradiction over the rest, as the key to correctly apprehend the internal dynamics of institutional change lies precisely in the interrelations existing between the multiple institutional spheres permeating the social field. Lippit (2010 : 56) states this position clearly in a passage worthy to be quoted at length:

> There is an ongoing process of institutional formation and institutional change that is brought about by the interaction among (1) the internal contradictions of any specified institution, (2) the other institutions that coexist with it, (3) exogenous events, and (4) the full

> range of social processes. All of these elements mutually over-determine one another.

Thus, one should not look exclusively at how the capital-labor contradiction evolves, nor at how its necessary stabilization might itself foster a process of institutional restructuring, but at how the SSA's internal features relate with those occurring in other social spheres as well as with external events. Therefore, we argue against giving any sort of political and/or epistemological priority to the contradictions occurring within the production process, as Kotz (1994a) and Wolfson and Kotz (2010) seemingly do, as well as to emphasizing the role played by "historical contingency" in shaping SSA's integrity and change, as McDonough (1994a, 1994b) does. Instead, it is defended that one has to consider precisely how these processes mutually constitute each other and interact with other social processes whose occurrence cannot be directly traced back to capitalism's own internal dynamics. This way, 'the forces contributing to the eventual collapse of all SSAs become more transparent' (Lippit 2010 : 57).

Laclau's (2001: 97–105) critique of Althusser's use of the concept of overdetermination is similar to that of Resnick and Wolff (1987), whom Lippit (2010 : 56) openly follows. As we have noted above, Laclau criticizes Althusser for not having fully erased the privileges granted to economic processes: 'If society has a last instance which determines its laws of motion, then the relations between the over-determined instances and the last instance must be conceived in terms of simple, one-directional determination by the latter' (Laclau and Mouffe 2001 : 99). Despite not denying the centrality that processes belonging to the sphere of production have to understand social dynamics under capitalism, we agree with Laclau in that the capital-labor contradiction can never find its expression without political mediation. Refusing to give primacy to any specific

institution or struggle over others implies that, in a social field crisscrossed by multiple antagonisms (race, gender, environmental, etc.), a process of political articulation is needed so as to create a political subject susceptible of bringing about actual institutional transformation. Despite the centrality of the production process in accounting for social dynamics under capitalism, the identities at play in the political struggle ultimately shaping the configuration of the former might bear no relation to those directly springing out of the production process itself.

That is, from the multiple conflicts and tensions that arise from the interaction among the various social processes that comprise the social totality (of which class struggle, narrowly conceived, is just one among many), nothing can be inferred a priori regarding the concrete character of their political manifestation. While the existence of social antagonisms is an ineradicable feature of capitalist societies, their relative influence upon the ultimate direction of social change, as well as their very character as political demands, is ultimately determined through the hegemonic struggle itself.

Indeed, Laclau asserts that antagonism is not something that occurs in the interiority of the relations of production, but something that has to be discursively constructed by showing how the integration of agents into the production process denies other identities they have outside of it: 'It is obviously not being denied that conflicts exist between workers and entrepreneurs, but merely that they spring from the logical analysis of the wage-labor/capital relation. [Rather] the conflict is not internal to capitalist relations of production. . . but takes place between the relations of production and the worker's identity outside of them' (Laclau 1990 : 9). Therefore, it is from the co-implication between the multiple identities each agent has that an antagonistic frontier in anti-capitalist lines can emerge, and not out of any essential quality of the capital-labor relation. Hence, relations of exploitation (i.e., the extraction of surplus-labor) will only become

political when the agents involved convert them into antagonistic relations. Therefore, to grasp the sources of institutional change in the antagonistic nature of social relations under capitalism, one has to look for the overdetermination between the struggles pertaining to the production sphere and the multiplicity of identities outside of them.

Social stability under capitalism depends crucially upon the attainment of a level of social peace high enough for continued economic activity not to be disrupted by conflicts of various kinds. And this is specially so under neoliberalism, as capitalist relations of production have been increasingly extended to domains different to that of work, thus, affecting agents not only as workers, but as pensioners, students, or citizens, for instance. In case these various non-class struggles were left unresolved, an oppositional movement that challenged the *status quo* could emerge that, despite not having been constructed around class-related identities, might as well foster social upheaval that, in an overdetermined manner, would affect the capital-labor relation itself.

In sum, if it is acknowledged that social relations under capitalism are inherently conflictual, and that a well-established SSA is synonymous with enjoying a high degree of institutional stability that enables the extraction of surplus value to be sustained over time, then it follows that it is precisely the attainment of high levels of social peace what ultimately reveals the existence of a well-established SSA. Therefore, it is not only the control of the labor process (despite its utmost importance), nor even of all those aspects directly related to the production process, that which ensures the level of social stability necessary for maintaining high levels of economic activity. It is strictly necessary as well that agents show a level of consent sufficiently high regarding their multiple positions in the social fabric so as to satisfy the conditions characterizing a well-established SSA to be satisfied. But this level of consent pertains as well to all those spheres of the social that only affect production tangentially, from

which it ensues that, for the dynamics of social change to be apprehended correctly, it is necessary to consider non-class identities and antagonisms together with their mode of articulation. In sum, it is our view that the theoretical categories of overdetermination and hegemony, it is argued, should become necessary elements of SSA theory to address its long-time concerns regarding SSA's establishment and decay. With these ideas in mind, the next chapter will attempt to slightly reformulate existing versions of SSA theory in order to offer a more nuanced treatment of political processes and interactions by granting greater scope to non-class struggles and expectations as well as to historical contingency, while simultaneously referring them back to capitalism's internal dynamics.

5 CONCEIVING SOCIAL ORDERS. TOWARDS AN EXPANDED SSA APPROACH.

The main objective of this chapter is to explore the notion of social orders from a political economy perspective. As noted in previous chapters, the SSA literature lacks a comprehensive account of how social consensuses are both established and subverted in relation to capitalism's internal dynamics, while, conversely, Laclau's discourse-theoretical account of political interactions needs to be supplemented by an equally rich apprehension of capitalist dynamics.

We start from the premise that, in any social formation under consideration, securing social reproduction requires the completion of manifold activities which are widely heterogeneous among themselves in terms of their relative physical hardship, emotional attachment, symbolic recognition and material rewards. While some mechanism of coordination must always exist among these heterogeneous concrete activities, in capitalist societies it is the market, *qua* instrument of inter-personal coordination, the social mechanism that acquires prominence in that respect. Moreover, not only are market mechanisms deployed to coordinate those various activities, but most agents implicated will secure their livelihood through market mechanisms as well. However, recognizing the higher-order relevance that capitalist processes show in appraising contemporary societies' historical becoming should by no means lead us to downplay the decisive contribution effected by non-market activities. By the latter we refer to, on the one hand, state-provided goods and services and,

on the other, the multifarious activities provided in the private realm of families and households. The manifold tasks and labors provided and/or undertaken in these two separate social spheres are not of any secondary importance whatsoever but, on the contrary, represent the very conditions of existence of capitalist activity. As noted long ago by Polanyi (1957), any society whose reproduction were to be secured exclusively through market-based interactions (i.e. the liberal fantasy *par excellence*) would be necessarily driven towards its own self-destruction.

In light of all this, we attempt to recast SSA theory along two main lines. On the one hand, it is necessary to broaden the scope of SSA's lenses over social processes to include non-market activities.[27] Singularly, it remains crucial to our purposes to consider the manifold unpaid activities undertaken within households, including, respectively, those which can be readily assimilated to labor (i.e. cleaning, cooking, etc.) and those more emotionally-loaded and thus more difficult to commodify (those activities commonly grouped under the category of 'care'). On the other hand, we intend to significantly expand SSA theory's understanding of political agreements/consensuses in order to include the various activities and symbolic representations through which social orders are both instituted and subverted, reflecting the fact that well-functioning SSAs have to secure not only the various stages comprising the circuit of money-capital, but also the various social consensuses through which the various agents implicated in the former will come to terms with their own social condition. Moreover, an interpretation of the nature of the interrelation existing between the aforementioned social consensuses and the internal dynamics of the capitalist mode of production will be offered. Were our enterprise successfully accomplished, the resulting theoretical framework would be better-

[27] See, for instance, O'Hara (1995) and Gillespie (2013), who have attempted to explore the role of the family as a SSA's constituent institution.

suited, we contend, to illuminate the diachronic vagaries of the social totality under consideration.

5.1 Social Orders. Between Material Rewards and Symbolic Recognition.

While our goal is to offer a conceptualization of social orders in relation to a political economy understanding of capitalism, it is first necessary to briefly outline which theoretical premises are to guide our analysis in the pages that follow. Following Prieto (2000, 2007), we understand a social order to be a stratified web of classifications that simultaneously delimits locations within the social (i.e. social groups, classes, identities), types of activities, and the various relations articulating them which, together with the institutions and norms establishing conditions of properness and visibility, constitute the ultimate basis for social coordination. While the distribution of material rewards and responsibilities will be irremediably inegalitarian, it is needed to secure a certain degree of consent from those enjoying the worst lot from existing social arrangements (either through symbolic recognition, certain material compensations, or through a minimal degree of social participation). Moreover, some others will be radically excluded from existing social arrangements, utterly deprived from symbolic recognition and civil participation. While the very line delimiting social exclusion will be marked by perennial instability, both symbolic and coercive means will need to be deployed as well in order to secure their effective ostracism.

Any social order's actual shape at a given historical moment will not be the phenomenal appearance, in a mirror-like fashion, of any sort of essential element underlying it. On the contrary, we situate ourselves in what Marchart (2007) has termed a 'post-foundational' approach to social theory. That is, while we forcefully reject positing any underlying social entity that would account, in the last instance,

for society's phenomenal diversity (i.e. we depart from metaphysical/foundationalist approaches to social processes), we equally reject doing away with the very notion of ground altogether (as certain strands of postmodern social theory would urge us to). Instead, we understand that the very impossibility of positing any ultimate single ground, valid for every conceivable present social formation, represents the very possibility itself of positing partial and contingent grounds underlying social difference. This means that while some sort of institutionalization, and thus some sort of systematic articulation among elements, is a necessary precondition for both signification and social interaction to be possible, its nature will be necessarily contingent and, hence, ever subject to social contestation:

> 'The pluralization of grounds and of identities within the field of the social is the result of a radical impossibility. (…) The ultimate grounding of a system is not impossible because the latter is too plural and our capacities are limited, but because there is something of a different order, something lacking, which makes pluralization itself possible by making *impossible* the *final* achievement of a totality' (Marchart 2007 : 15-7, original emphasis)

What we have, therefore, is neither a social diversity that could be referred back, in the last instance, to the operation of some eternal essence nor a multiplicity of practices unable to be submitted to scientific scrutiny. Instead, what we are left with are but continuous attempts to consolidate social practices into more or less stable institutional constructs, but whose indefinite reproduction remains nonetheless an ontological impossibility. The fact that no ultimate ground for the social exists means that the existing web of social relations will be always contingent (meaning that their existence

cannot be derived from any essential entity transcending them). If the social lacks any ultimate ahistorical essence, then it follows that any social order's self-reproduction is intrinsically 'performative' (see Butler 1990), that is, it is individuals, through their (re)iterative action, who yield a sense of permanence and stability to institutions which, in turn, are but the result of their coordinated and repeated interaction itself. These iterative practices, as noted, tend to coalesce into various institutional forms with different degrees of resilience and causal effectivity. By institutions we understand the set of habits, customs and common expectations that structure human activity by simultaneously constraining and enabling social interaction (Hodgson 2006). Crucially, no assessment of their robustness and durability can be made from the strict recognition of their contingency. Some institutions, such as the existence of wage-labor, have endured for centuries, whereas some others, such as cell phones' mass consumption, might be infinitely more transient. This is a point we have forcefully made against Laclau in chapter 3.

In order to think the dynamics of institutionalization of social practices, we consider Laclau's (1990 : 34) distinction between the social and the political to be of the utmost importance. On the one hand, the 'social' refers to the domain of 'sedimented forms of objectivity', that is, social practices that have become naturalized to the extent that their ultimately contingent origins have been forgotten. On the other, however, the emergence of social antagonisms contesting their mode of operation implicitly reveals their ultimately contingent origin. This revelation represents the very nature of the 'political'. Moreover, while the very distinction between the social and the political is constitutive of social relations (i.e. it permits both its ordered reproduction and its internal subversion), the dividing line between the two is nonetheless constantly displaced and renegotiated. Therefore, rather than considering the existence of social conflict as some sort of anomaly resulting from a social order's malfunction, it is

the latter which is deemed to be result of an incessant and never-ending process of pacification of manifold social struggles.

Social conflicts are then an ever-present feature that social orders ought to channel and contain so that its own self-reproduction is not compromised. On the one hand, a certain level of inequality of outcomes and demands over the population is constitutive of any social order, so that the possibility that the worst-off might contest their mode of inclusion is ever-present, even if, for a relatively long time, it is successfully prevented from being manifested. On the other, every social order is grounded upon some kind of exclusion. That is, some element has to be expelled from it for any sort of interiority to emerge. While symbolic and material means need to be deployed to ensure their continuous exclusion, the possibility remains nonetheless that the excluded will somehow re-appropriate the means they are not supposed to have, and the words they are supposed not to know, to contest their symbolic non-existence (Rancière 1999).

In order to conclude this brief outline, we would like to call attention to two dualities every (capitalist) social order has to secure simultaneously, and which reveal its ultimate mode of operation. The first one relates to the nature of the inequalities existing among its members, encapsulated in the pair '*accumulation and recognition*', by which we refer, on the one hand, to the need to secure capitalist conditions of existence (in terms of fostering a suitable environment for ongoing capital accumulation), while simultaneously responding to manifold individual aspirations irreducible to monetary expression and, on the other, to the dual requirements of social consent related to not only to material welfare but also to appropriate identitarian recognition. While political economy's foremost concern has traditionally been the first pole, regarding how economic surplus is first produced and then distributed among competing claims, the other one has received much less attention. However, if it is agreed that politics cannot be reduced to the interaction among already-

constituted social identities but, on the contrary, should also be concerned with the processes through which heterogeneous social yearnings and aspirations are converted into actual political subjects, then it follows that politics is also an activity revolving eminently around the conditions determining social visibility and recognition.

In our view, the author who has best analyzed this 'aesthetic' dimension of politics is Jacques Rancière (1999, 2004a, 2007). The term he uses to refer to the configuration of social orders is 'police'. Radically distinct, though not wholly unrelated, to the common usage of the term, Rancière's *police* refers instead to:

> 'An order of bodies that defines the allocation of ways of doing, ways of being, and ways of saying, and sees that those bodies are assigned by name to a particular place and task; it is an order of the visible and the sayable that sees that a particular activity is visible and another is not, that this speech is understood as discourse and another as noise' (Rancière 1999 : 29)

That is, a social order is also an eminently 'aesthetic' ensemble in the sense that it determines the conditions of visibility among subjects and activities that, from the very beginning, regulate social interaction. Every police order is a configuration of bodies and practices that delimits its internal relations in terms of what is proper or appropriate to each, that regulates a 'normality' against which social interaction takes place, that holds every single element to its apportioned place, that distributes goods and services as well as roles and occupations. However, prior to this distribution of material outcomes resides an aesthetic operation delimiting whose voices and claims are to be considered when deciding upon the former. Rancière names this regime of (in)visibility the 'distribution of the sensible' (*partage du sensible*), which stands for:

> 'The system of self-evident facts of sense perception that simultaneously discloses the existence of something in common and the delimitations that define the respective parts and positions within it. (…) This apportionment of parts and positions [i.e. a police order] is based on a distribution of spaces, times and forms of activity that determines the very manner in which something in common lends itself to participation and in what way various individuals have a part in this distribution' (Rancière 2004a : 7).

Therefore, behind the visible confrontations among constituted subjects to determine the effective distribution of economic surplus among the members of the community, there is a subterraneous and never-ending struggle over a previous distribution of statuses and recognitions, which not only determines which voices are to be heard and considered and which others are not, but also whose sounds are to be recognized as legitimate voices and whose will be considered but noise.

Rancière's understanding of social orders as 'police' orders leads us straight to the second duality we would like to call attention to: that between '*naturalization and normativity*'. As noted above, the various elements constituting any social order will only acquire actual existence as long as its participants act them out, behaving as if their institutional form owed its existence to some other cause external to themselves. That is, their contingent roots ought to be effaced if they are to be successful in effectively coordinating social interaction. In other words, they ought to become 'naturalized'.[28] In this respect,

[28] As noted in our previous discussion of Laclau in this chapter, while politics emerges whenever their ultimately contingent origin is brought to the fore through a quarrel over its mode of operation, not all elements will be shattered at once. However, as the upcoming discussion will hopefully illuminate, it is possible to go beyond Laclau's theoretical

Laclau's distinction between the social and the political remains utterly relevant for our purposes. However, a well-functioning social order is not only required to 'buy' consent among its subordinate members (e.g. through appropriate material rewards) but also to 'manufacture' it, that is, to legitimate the various hierarchical inequalities it is based upon. Rancière's police order is, above all, a 'regime of properness' which simultaneously describes and prescribes, a 'system of distribution and legitimation' that not only distributes roles and places, but also attributes specific functions and activities to each. In sum, every 'normality' contains a certain degree of 'normativity', and vice versa, conflating in its mode of operation that which is, and that which should be.

How do Rancière and Laclau's understanding of social orders, upon which we are mostly relying upon in our account, relate to our previous indications regarding the social theory we are striving for? Their implicit rejection of the level of the economy as one in need to be considered in their respective accounts of how social orders are instituted and subverted undoubtedly falls short of what we have previously termed the 'middle ground' position. Capitalism, in both their theoretical schemes, is virtually reduced to a fetishized notion with little to none explanatory value. However, the causal effectivity of material (re)production processes has to be acknowledged if a social theory at the height of the times is to be obtained. In this sense, we fully share Žižek's reservation to Rancière (and Laclau's) approach:

> 'The "political" critique of Marxism (the claim that, when one reduces politics to a 'formal' expression of some underlying 'objective' socio-economic process, one loses the openness and contingency constitutive of

agnosticism regarding the extent to which the political haunts the social at a given time by relating it to political economy insights.

> the political field proper) should thus be supplemented by its obverse: the field of the economy is IN ITS VERY FORM irreducible to politics – this level of the FORM of the economy (of economy as determining the FORM of the social) is what French 'political post-Marxists' miss when they reduce the economy to one of the positive social spheres' (Žižek 2004 : 75-6, original emphasis).

Žižek argues that the fields of politics and the economy are like 'the well-known visual paradox of the 'two faces or a vase': one either sees the two faces or a vase, ever both of them – one has to make a choice' (Žižek 2004 : 75). One can hardly imagine a more eloquent description of the 'middle ground' position between economic determinism and political pluralism/voluntarism we are arguing for, that is, the recognition of the ultimate impossibility of granting due space to both political and economic logics in appraising social becoming while, nonetheless, simultaneously committing oneself to the possibility of not downplaying one pole in favor of the other.

In order to integrate 'post-Marxist' insights regarding social orders within a holistic political economy approach we will make use of the category of 'social demand' as the cornerstone of our own approach. While Laclau himself has made of it a central category of his later writings (e.g. 2005b, 2005a, 2006), we have already outlined in chapter 3 certain theoretical inconsistencies arising from his reticence to consider economic processes as co-constitutive of social objectivity. It is our view, however, that the category of 'demand' may be useful in linking capital accumulation's institutional requirements with the vagaries of social orders without ultimately reducing one to the other. On the one hand, situating the category of demand at the center of the analysis offers us the possibility to interrogate the conditions of visibility and intelligibility of any proffered social

request, not only in terms of how various demands may relate to one another at a given conjuncture (the foremost terrain of Laclau's hegemonic logics) but also in terms of how the excluded might irrupt into a social arena where they were not expected (Rancière's understanding of politics). On the other hand, it implicitly refers to the configuration of the mode of production (what/how to produce/distribute). Firstly, because dealing with a social demand, either through satisfaction or through repression, generally involves resources that need to be diverted from some other alternative use. Secondly, and perhaps more importantly, because underlying the struggle over distribution there is a prior struggle over recognition, over which claims are legitimate and which others ought to be outrightly rejected. Identitarian recognition is, therefore, a necessary precondition to struggle over established relations among already-constituted social subjects.

5.2 Social Orders and Well-Functioning SSAs.

In what follows, we will attempt to relate the various above-indicated insights regarding the nature of social orders to the study of capitalist dynamics enabled by SSA theory. When analyzing social formations, the basic unit of analysis will be that of 'social processes' (Resnick and Wolff 1987 : 19), which, existing in a constant state of tension and contradiction among themselves, foster the social totality's continuous internal transformation. We use the term 'institutions' to refer to various sets of processes that have become, for a certain time, somehow interlocked, so that their mutual interaction reproduces the modality of interaction itself. While these processes will tend to coalesce among themselves into relatively stable assemblages (i.e. institutions), their continual interaction among themselves, as well as with other social processes not directly implicated in the former, will set them continually in motion. In capitalist societies, several among

these processes will govern, to a greater or lesser extent, society's material reproduction in line with capitalist reproduction's internal requirements. In this sense, we understand an SSA to comprise the ensemble of institutions that, within a given spatio-temporal context, shape and structure profit-making activity. However, not every institutional assemblage qualifies as an SSA for, in order to do so, it must achieve a minimal degree of institutional coherence (so that it becomes relatively long-lasting), which, in turn, requires the satisfaction of several conditions.

Firstly, in order to secure capitalist profit-making activity over the long run, its various composing institutions ought to coat and safeguard the different stages of the circuit of money-capital (e.g. the provision of necessary raw materials and energy inputs; a system of labor qualifications; technological systems; various legal regulations; domestic and international markets' structure,…), thus securing a minimum of predictability and institutional stability in each so that economic activity may proceed without recurring blockages. Aggregate levels of capital accumulation are, therefore, a by-product of manifold decisions adopted (separately) by individual capitalists, whose occurrence should not be inscribed within the SSA's own definition (Wolfson and Kotz 2010). Furthermore, a well-functioning SSA must not compromise its own conditions of existence, among which crucially stand all the care-related activities, occurring mainly within the private realm, which play a crucial role in ensuring society's successful reproduction. While these social processes may not be included within the list of SSA's internal components, the diachronic dynamics of the latter must not, under any circumstances, compromise the successful reproduction of the former.

Virtually everywhere, these various activities which remain the most crucial for social reproduction but which, notwithstanding, are not necessarily mediated by market interactions, are governed and/or regulated by 'gender norms'. By this we understand a cultural-

symbolic construction which assigns individuals to one among the two positions of a binary matrix: masculine *vs* feminine.[29] This gender matrix codifies certain activities, ways of seeing and being seen, and types of conduct which are appropriate to each gender. Individuals, through repeating those normative prescriptions in their daily interactions, end up naturalizing the attributes assigned to each in such a way that, having become sedimented, these gender prescriptions become 'naturalized'. Once these gender norms are internalized by individuals, they appear to the latter, paradoxically, as radically external to them, a pre-existing force to which they ought to submit to.

While these gender norms operate transversally, interacting with most other social processes comprising a social formation at a given point in time, some of them will be inherently overdetermined by existing gender norms, while others will be affected in a merely tangential manner. These various processes co-governed by gender norms tend to show a certain coherence in their mode of interrelation, so that the gendered nature of these processes tends to be reproduced over time. For instance, while the processes regulating labor market exit/entry, care provision to the elders, and the codification of bodies within TV shows, are ultimately irreducible to each other, they do show nonetheless a great amount of internal coherence, reinforcing one another through their iterative repetition. This coherence is due to them being governed, in the last instance, by a shared gender matrix. As their reproduction is reinforced by their mutual interaction, they tend to coalesce into relatively stable assemblages: i.e. gender becomes an institution, suitable of sustained and systematic theoretical investigation and analysis.

[29] Gender norms are not derived in any sense by the biological nature of the subjects concerned. We use the term 'sex' to refer to biological factors, while reserving the term 'gender' for cultural-symbolic inscriptions of the above-mentioned sexed nature of human beings.

Regarding the institutions included within a given SSA, no axiomatic list can be provided for the limits of the latter will always be blurred. In the end, all social processes may be considered each other's conditions of existence (Resnick and Wolff 1987), so that the pertinence of including one given institution within the SSA cannot be inscribed within the process's own conceptual definition but should depend instead upon the subjective evaluation of the analyst in relation to the particularities of the current conjuncture. The 'imprecise and hence inevitably arguable nature of [an SSA's] outer boundary' had already been noted by Gordon et al. (1982 : 25) in their seminal contribution, when asserting that, while 'any aspect or relationship in society potentially and perhaps actually impinges to some degree upon the accumulation process, nonetheless, it is not unreasonable to distinguish between those institutions that directly and demonstrably condition capital accumulation and those that touch it only tangentially'. Besides dropping the references to capital accumulation, we would only add that the bases for such distinction are both subjective and contextual.

Secondly, relations of complementarity ought to emerge among its various institutional realms, so that the internal dynamics of each do not unsettle the inner development of the remaining ones, this way fostering systemic self-reproduction over the long-run. If the nature of an SSA's composing institutional blocks is historically contingent, then it follows that the nature of the manifold relations of complementarity and/or dissonance among its various components ought to be considered historically-contingent as well. Moreover, while isolating the relations among two (or more) separate spheres from the overdetermined totality where they are ultimately located might be useful for heuristic purposes, the diachronic evolution of the latter affects the existing internal relations among the former, so that, it follows, relations of institutional complementarity among institutional spheres are not only contingent but also transitory.

Lastly, the specific form these various institutions take at a given moment will tend to favor the welfare, material and/or symbolic, of certain social groups over others. The various conflicts emerging from their interaction will need to be correctly pacified for ongoing capitalist activity to continue or, at least, to be channeled 'in directions that are not unduly disruptive of accumulation' (Kotz 1994a : 55). We do not mean that such conflicts ought to be eradicated but, instead, that they ought to be confronted with the appropriate institutional mechanisms for their indiscriminate proliferation to be prevented, in turn precluding as well the possibility of them coalescing around some single goal liable to further advance them all. These conflicts are manifold and heterogeneous among themselves, stretching well beyond the production process, even if strongly overdetermined by the latter. While the relevance of the conflict between capital and labor (class struggle), as well as that between individual capital units (capitalist competition) is beyond all dispute, social objectivity is the end result of a variegated process of pacification of contingent social struggles irreducible to the former. As noted in the previous chapter, essentializing class struggle and competition carries the risk of overestimating the actual degree of institutional coherence of a given ensemble by referring its phenomenal appearance to one single center. If, instead, the plurality of struggles at stake is acknowledged, manifold dissonances among the various parts of the social will come to the fore, throwing light in turn upon the potential lines of fracture within a given structure. Moreover, if social conflicts are both heterogeneous and ubiquitous, and institutions derive their form from their temporary pacification, precipitating into sets of rules, habits and expectations that efface the ultimately contingent nature of their emergence, then it follows that particular institutions are context-specific, so that the SSA in which the latter coalesce will be also contingent and historically unique.

Therefore, there is a two-way relation between institutions and social conflicts. On the one hand, institutions may be understood as the end-result of an unending process of conflict pacification. On the other, the mode institutions function tends to generate in turn various other conflicts as they invariably benefit some social groups at the expense of others (e.g. conflicts among generations, among genders, among types of occupations, among races, etc.) However, the crucial thing to note is that these conflicts cannot be expressed in any automatic and straightforward manner. On the contrary, they are crucially dependent upon a constitutive process of political mediation, overdetermined itself by the remaining social processes, in order to constitute themselves into socially intelligible demands. While these demands are strictly heterogeneous in nature, some sort of relation among some of them ought to emerge so that they can become intelligible among themselves in the first instance, that is, some 'relations of equivalence' ought to be established among the various groups' demands, thus constituting a transitory totality where the potentially conflictive component of each does not disrupt the stability of the whole (see Laclau 1996c). This process of articulation, through which the particular content of each is made to recede while some dimension of commonality emerges among them is what Laclau and Mouffe (2001) refer to as hegemony.

Every SSA, as noted above, is composed of various institutions, each of which tends to favor the material/symbolic welfare of certain groups over others. Their interaction and coalescence into a relatively stable assemblage will then consolidate manifold social cleavages, which will remain in need of being symbolically articulated. While every SSA relies upon an existing group of beneficiaries, that is, an amalgam of social groups who have an interest in reproducing the *status quo*, their constitution is neither straightforward. On the one hand, the fact that social conflicts are both manifold and ubiquitous means that people will be affected by several of them simultaneously,

whose relative importance at each time will be heavily dependent upon existing hegemonic articulations. On the other, these same people will also hold to different criteria when judging the existing state of affairs (e.g. some will be interested in employment opportunities, some in the availability of leisure time, others in the ethnic homogeneity of their surroundings), among which some sort of internal unification ought to be produced so that their respective views may find some common anchoring points. Hegemonic (re)articulations will be never-ending as the various institutions' inner workings will contribute to generate and/or modulate the various expectations through which the current situation is to be judged. The potential disjunction between these various expectations and institutional outcomes will give rise to various new demands around which the hegemonic struggle will mainly revolve around. Depending on the reach and nature of existing hegemonic articulations these newly emerging demands might either be successfully blocked or, perhaps, precipitate further social change. However, as already noted, the translation of the conflict-ridden nature of institutions into a set of socially intelligible demands is not a straightforward process. Being able to advance one's own claim into de public sphere requires disposing of the appropriate means, both material and symbolic, which the prevailing institutional structure may block.

In sum, hegemony refers to this process through which different coalitions of interests emerge that sustain and reinforce the *status quo*. While the configuration of each SSA favors the material wellbeing of certain groups of society while simultaneously marginalizing others, it is necessary that broader coalitions of interests between dominant and other subaltern groups emerge which support the existing order, the nature and extent of which will be one of the main objects of contention within the hegemonic struggle itself. Of course, it is not meant that all agents with an interest in maintaining existing social arrangements will receive a proportional share of the social output, but

that institutional conditions ought to be established for each group to be satisfied with the differential position assigned to each in the existing social order.

While both the existing alignments among social demands and the actual content of each will be the result of hegemonic articulations, those who occupy a subaltern position within the latter ought to comply as well with their respective roles in the social fabric. Moreover, those that had been excluded from them have to be prevented as well from challenging the institutional basis of their inclusion. Therefore, despite this operation of building up social consensuses being eminently political in nature, it is ultimately dependent upon the social processes governing material (re)production underlying it.

As long as the conflict-ridden nature of institutions is satisfactorily pacified, and the internal relations among those enjoying some degree of social visibility attain some relative stability, a minimum level of 'social peace' will then ensue, which, in turn, constitutes a necessary prerequisite for sustained economic activity. Continued profit-making activity in conjunction with sufficiently low levels of social unrest then signal the effective operation of a well-functioning SSA. Furthermore, as continuous, if not rapid, growth permits to expand progressively the material base of society, a partial satisfaction of certain previously-unsatisfied demands will be afforded, thus not only reproducing, but also expanding, the material conditions of existence of the existing order's base of beneficiaries.

5.3 SOCIAL ORDER DECOMPOSITION AND SSA DECAY.

While an SSA is an integrated whole, articulated through relations of complementarity and co-constitutivity among its various spheres, nothing prevents some of its composing institutions from showing a markedly contradictory character when considered in isolation. Such

contradictory character may be successfully contained during the expansion-phase thanks, precisely, to the various relations of synergy and complementarity emerging among them. However, such homeostatic functioning of the SSA will at some point come to a halt, ensuing a process of gradual institutional decomposition. This is so because every institution is subject to contingent struggles over its mode of operation, internal malfunctions, and changes in the external environment. While the various institutional blocks will undergo continuous internal transformation, both their respective rhythms and direction of change will certainly not have to be coincident. At some point, the respective changes undergone by the various institutions implicated will end up undoing the internal coherence of the SSA provided by existing relations of complementarity, thus blocking further profit-making activity in turn. The integrated nature of the SSA means that blossoming malfunctions will reverberate all throughout its internal equilibria, giving rise to a phase of gradual institutional decomposition. Partial amendments introduced in some of its key institutional buttresses will not serve to restore the institutional conditions needed for further profit-making activity. Instead, restoring favorable institutional conditions to capitalist enterprises will strictly require fully-fledged transformation of the whole institutional environment (including, crucially, the manifold relations of complementarity among its individual components). These moments represent therefore the systemic crisis of each SSA, which in turn signal a turning point between different stages within capitalism.

The emerging dysfunctional nature of the current institutional assemblage will be further compounded by existing hegemonic alliances, which may shift from repressing social change to fostering widespread SSA transformation as a response to perceived malfunctions within the latter's mode of operation. The social consensuses that had regulated social objectivity up to that moment start to crumble as a result of internal problems directly affecting the

material base over which they had been grounded. The necessity to re-draw the institutional structure framing the accumulation process throws to light the inherently contingent character of those diverse alliances among the different groups constituting society. While sustained, if not rapid, economic growth allows various subaltern groups to receive a part of an 'expanding pie', a decaying SSA encounters a diminishing surplus through which to satisfy those same groups' requirements, so that it necessarily has to leave aside certain demands which, during its previous expansion phase, could have been dealt with through existing institutional channels and mechanisms. In contrast, while every well-functioning SSA leaves some demands unsatisfied, these either lack symbolic strength to significantly modify the existing order, or their exiguous number allows the institutional order to push them into the background. In sum, the institutional structure that had permitted to accommodate different groups' demands over an 'expanding pie' progressively turns into its opposite, an 'accumulation of demands over a shrinking pie' which cannot but reinforce further SSA decline.

The social field becomes therefore increasingly fragmented, and the isolated character of each demand becomes increasingly visible, as the social consensuses that used to bind them together are progressively eroded. Fixed expectations start to crumble, old loyalties show themselves to be ultimately contingent, and the social alignments that for a time had been sedimented into a society's "common sense" no longer manage to make the situation intelligible to the different groups involved. The sudden entry into its crisis phase of the neoliberal SSA provides a very accurate example of this, as it abruptly threw into light the inherently contingent nature of its institutional ensemble. For instance, rising consumption levels could no longer be increasingly financed through private debt, thus rendering clear the fictitious nature of a prosperity ultimately based upon financial bubbles; middle-class expectations started to crumble

as a result of the collapse of various job ladders; social services that compensated for stagnating real wages were suddenly cut off, throwing into light the systematic transfers of wealth and income from labor to capital; and so on. The previously held "naturalness" of social facts suddenly becomes questioned, thus entering into what Marchart (2007) terms the 'moment of the political', when the ultimate contingency of any social order is made manifest. In sum, systemic crises eventually turn into organic crises.

In this context of fragmented loyalties and expectations, hegemony refers precisely to this process of political articulation of heterogeneous unsatisfied demands into a wider political project, such that an element of commonality is produced among them that, despite not pre-existing this process of articulation, can nonetheless form the basis of a new solidarity. As the process of SSA decay worsens due to the 'accumulation of unsatisfied demands', the need for their re-articulation through what Laclau (2005a : 77-83) terms a 'chain of equivalence' becomes the most pressing. Various social groups, holding different criteria for evaluating the current situation, will seek to promote institutional changes directed towards restoring previously existing social conditions. However, the integrated nature of the decaying SSA will prevent that possibility from taking shape. As long as economic outcomes worsen, economic imperatives regarding desired social change will accentuate, especially on the side of capital, but will necessarily have to impregnate themselves with non-economic demands and expectations if successful social transformation is to be attained.

Because institutional decomposition will pervade the whole structure, the emergence of unsatisfied demands will not be restricted a priori to any single specific area within the social. However, the nature of the previous phase of expansion is expected to have empowered certain social groups over others, and also to have yielded an institutional environment which, despite undergoing gradual

dissolution, will remain nonetheless favoring certain groups over others regarding their relative capacity to advance their own claims in response to the current situation. Therefore, the main contradictions of the decaying SSA will pose limits to the possible outcomes of the struggle, as well as to the character of its actors. Depending on which were the imbalances that led to the occurrence of the systemic crisis in the first instance, some outcomes will be more likely than others, and some political alliances will have more chances to materialize themselves than others. Moreover, the various social conflicts acquiring prominence during the crisis-phase, as well as the possible alliances that may be built around them, will be crucially affected by the particular set of beneficiaries of the decaying SSA, the relative material and symbolic resources respectively at their disposal conditioning the potential lines of fracture and re-composition in terms of political action.

Although the exact form of its articulation will remain undetermined a priori, it can be ascertained that new loyalties and coalitions will emerge, as in their absence no common project would be constituted that would allow economic activity to be resumed in a sustained manner. It can either happen that old actors manage to incorporate these disaffected demands into a common project with many degrees of continuity with the previous period, or that those unsatisfied demands might give rise to a new hegemonic bloc based upon their common rejection of the previous *status quo*. What the outcome will be, between these two extreme cases, will be strictly the result of the hegemonic struggle. Laclau's understanding of the hegemonic struggle posits that various unsatisfied demands, initially tied to concrete claims and yearnings, will inhabit a constant tension between their strictly particular content and their aimed universal aspirations. Some of them will gradually empty themselves of their sectorial connotations to start functioning as surfaces of inscription of further unsatisfied demands, thus becoming gradually hegemonic. In

the limit, as more and more individual demands take the former as the frame of reference through which their expression will be made intelligible to the remaining social groups, they will turn themselves into 'empty signifiers', that is, particular demands which, having emptied themselves of their own particular content, start functioning as the embodiment of the community's aspiration of fullness, i.e. a future devoid of conflict and antagonism. In sum, while Laclau's conception of hegemony says nothing about the progressive character of future articulations, it does shed light upon how the struggle among contending groups in a fragmented social field takes place, while SSA theory helps to conceptualize the constraints of the necessarily uneven terrain where that struggle for institutional redefinition occurs.

The formation of a new SSA implies that favorable conditions for surplus-value extraction and accumulation need to be established, comprising, among other things, a new institutional fix for the capital-labor contradiction. Although the relative importance enjoyed by various political identities during the hegemonic struggle for institutional redefinitions cannot be ascertained in advance, some sort of resolution to perceived impediments to continuing capitalist activity will have to be offered. However, the new institutionalization of the capital-labor relation and associated capitalist institutional requirements will emerge by indirection in the course of the hegemonic struggle's resolution, in which it is perfectly possible that explicitly class-related identities and demands might not even explicitly participate in the very terms of the contention.

The concrete shape the upcoming SSA will take (as long as some post-capitalist form of social organization does not materialize) will bear the imprint of the various social conflicts acquiring centrality during the previous organic crisis's resolution, that is, it will be affected by the character of the various contending subjects (whose nature will be molded in the course of the hegemonic struggle itself), the drive of capital to restore institutional conditions favoring further

profit-making activity, historical contingency, and various other social processes which in the last analysis might be considered exogenous to the SSA in place. A new SSA might consolidate itself, perhaps even inadvertently from the perspective of the main actors implicated in the hegemonic struggle, when conditions are set that permit profit-making activity to continue in a relatively undisturbed manner, and various institutional blocks emerge whose individual continuation is favored by their joint coexistence. Resurgent capitalist accumulation will further the existing material ground through which to attempt a partial satisfaction of several demands among the many involved within the hegemonic struggle. Not only this will help consolidate and solidify the existing alliances at the roots of the ongoing process of institutional construction but will also help broaden its reach by incorporating other disaffected demands not articulated from the outset.

5.4 SOME CONCLUDING COMMENTS.

We have just presented a sort of synthesis between SSA theory and Laclau's hegemonic logics which attempts to ameliorate certain aspects in each with which we have shown dissatisfaction. Let us recap our respective lines of criticism. Regarding SSA theory, it was argued that one of the main shortcomings it had to face was its marked under-development of the terms in which the political contention for institutional redefinition is both framed and undertaken. It is our view that most of the literature so far seems to assume a relatively straightforward constitution of collective subjects from the position agents occupy in the capitalist production process, which greatly complicates a correct apprehension of the actual stakes in the political battle. Instead, we argue in favor of introducing a theoretical hiatus between the conflict-prone nature of capitalist institutions and the actual struggles among already-constituted political subjects, a hiatus

we intend to grasp theoretically through Laclauian categories. Moreover, by paying close attention to actual institutional configurations, a more nuanced treatment of the laws regulating the differential degrees of visibility enjoyed by various social strata can be obtained. Regarding Laclau's post-Marxist account of hegemony, certain theoretical impasses were identified in chapter 3 as derived from his lack of proper consideration of capitalist institutional requirements and dynamics.

Firstly, we had noted that Laclau's adoption of the category of social demand as the primary unit of social analysis, while definitely a productive move in debunking essentialist and/or economicist narratives of political interaction, carried with it several other theoretical complications. On the one hand, it precluded any understanding of the process of how the manifold conflicts pervading any capitalist society could be translated into socially intelligible demands in the first instance, that is, how such conflict-ridden magma is 'individuated' into separate claims. We intend to solve that matter by grounding such a process upon the underlying institutional structure governing material (re)production. Having the possibility to advance one's own claim requires having at one's disposal the appropriate material and symbolic resources, and organizational capacities, whose inegalitarian distribution over the population is greatly overdetermined by the underlying institutional structure. If demands are taken as the primary unit of analysis, one runs the risk of neglecting the relevance of the institutional environment in configuring an uneven field of visibility, which in turn makes some voices more likely to be heard than others.

On the other hand, doing away with any notion of underlying social structure altogether prevents a correct appreciation of the differential anti-systemic capacity each of them may enjoy at a given point in time. The specific configuration of the institutional structure underlying political interaction makes some demands more difficult to

assimilate without in turn compromising the former's self-reproduction. For instance, the demand for public housing for all will surely show a higher anti-systemic potential in a country like Spain, where the construction sector represents one of the main growth engines, than in other country where the opposite holds.

Secondly, we had argued against Laclau's univocal treatment of 'class' as one mode of collective identification, on the grounds that it prevents appreciating the historical specificity of capitalism. Denying any sort of direct transposition between class-in-itself and class-for-itself does not lead us to discard the former in favor of the latter, as Laclau seemingly does, but to postulate that, despite the utmost relevance of finding some sort of institutionalization to capital-labor relations if capitalism is to work properly, such an institutional fix might be overdetermined by a political struggle where class-related motives and slogans might not even be present at all. Moreover, the particular configuration of the wage relation will have crucial effects upon distributive patterns in society at large, which, in turn, will greatly affect the modality of prevailing social consensuses (a line of inquiry explored at length in the following chapter).

Thirdly, we complained against Laclau's understanding of the temporal evolution under capitalism. While his distinction between the 'social' and the 'political' results of great value to appreciate the processes through which social orders are both instituted and subverted in a strictly non-teleological and non-essentialist fashion, it needs to be supplemented with an account of why, in capitalist societies, there are periods marked by relative institutional stability, alternating with others marked by widespread deinstitutionalization. Only by paying close attention to the institutional requirements imposed by the capitalist accumulation process can one accurately grasp the nature and form of systemic crises, which in turn underlie the differential historical rhythms undergone by the twin processes of institutionalization and deinstitutionalization Laclau aims at grasping.

Moreover, only an analysis that recognizes the varying degrees of institutional thickness of a given institutional structure can properly account for the different degrees of resilience and causal effectivity enjoyed by the former.

The last set of issues we called attention to concerned Laclau's understanding of populism. Next chapter, concerned with the existing relation between the modality of institutional breakdown when a systemic crisis emerges and the way existing social consensuses are dislocated in return, will tackle those issues in detail.

USC
UNIVERSIDADE
DE SANTIAGO
DE COMPOSTELA

6. GROUNDING POPULISM UPON POLITICAL ECONOMY. ORGANIC CRISES IN SSA THEORY.

This chapter will adopt the theoretical framework laid out in the previous chapter in order to respond to two interrelate objectives. On the one hand, it is concerned with examining the character of organic crises in relation to the reformulation of SSA theory advanced in the previous chapter. In this sense, it will make use of the distinction drawn by Wolfson and Kotz (2010) between Liberal and Regulated SSAs in order to examine the nature of the ensuing political struggle once the underlying SSA shows evident signs of exhaustion. It is argued that, while both institutional architectures may ensure a level of 'social peace' high enough for economic activity to take place in a sustained manner over time, important differences between the two types concern their effects upon the accumulation process, the different actors they empower during its expansion phase, and the crisis tendencies borne by each. These differences, in turn, will be shown to greatly affect the terms of the struggle for institutional redefinition, the character of the contending subjects, and the ultimate nature of its resolution. In order to substantiate this claim and draw its various implications we will interrogate the last two systemic crises in the US, namely, that corresponding to the demise of the Post-War SSA (a Regulated SSA), and that corresponding to the decay of the Neoliberal SSA (a Liberal SSA), spanning from 2008 up until the present moment.

On the other hand, it seeks to offer a theoretical resolution to some of the aporias identified in Laclau's understanding of populism. After drawing a distinction between 'populist situations' and 'populist interventions', it will be argued that systemic crises associated to Liberal SSAs should be assimilated to the afore-mentioned 'populist situations', where Laclau's analysis of populism becomes the most pertinent framework to satisfactorily appraise the actual stakes of the political struggle. Grounding populist phenomena upon its socio-material conditions of existence, it is argued, remains crucial to understand populism's historical specificity, and hence to counteract certain misusages of the term in contemporary discussions.

This chapter will be organized as follows. The first section will introduce the conceptual distinction between 'populist interventions' and 'populist situations', which will be employed to relate the current widespread emergence of populist movements to the institutional contours of the underlying SSA. The third section will explore the character of both the expansion- and the crisis-phase in Regulated SSAs, paying close attention both to its institutional underpinnings and to its associated social consensuses, while the fourth section will do the same regarding Liberal SSAs. Hopefully, the pervasiveness of populist expressions in the current conjuncture will be shown to be no matter of coincidence.

6.1 DISENTANGLING POPULIST EXPRESSIONS.

We have already indicated (chapter 3) how certain ambiguities arose regarding Laclau's conception of populism as a result of his misapprehension of capitalist dynamics. Whereas his formalistic account of populism remains undoubtedly useful to combat several misinterpretations of what populist logics ultimately stand for (mostly arising from the reduction of populism to a *content* being articulated rather than to the very *form* of such an articulation), it remains in need

to be supplemented by an understanding of capitalism's internal dynamics if it is to gain its full analytic (read epistemological) and strategic (read political) value.

Let us briefly recap our argument in this regard. In Laclau's (2005a, 2005b) understanding, populism refers to a formal logic through which political identities are generated in times of intense institutional decomposition, marked by the simultaneous and widespread emergence of heterogeneous demands the existing order cannot deal with individually in a successful manner. A new 'popular' identity might then be consolidated among the latter based upon their common dissatisfaction with the current state of affairs. In our opinion, however, two interrelated issues deserve reconsideration. Firstly, it is by no means clear what is it that fosters institutional decomposition in the first instance. In other words, if the widespread emergence of heterogeneous unsatisfied demands is deemed to be a necessary precondition for populism, an explanation should be offered of what the causes are of both their simultaneous emergence and the existing order's incapacity to address them satisfactorily. Secondly, and intimately linked with what has just been said, Laclau asserts, on the one hand, that the political is primary in structuring social relations and, on the other, that an element of populism pertains to the very core of politics. Were both premises accepted, then it would follow that populist logics would be self-sufficient in destabilizing an existing social order. However, there are indications on the contrary by Laclau himself. It is our view that, were Laclau's understanding of populism grounded upon capitalism's constitutive features, these apparent antinomies might be led towards a fruitful resolution.

In order to clarify these issues, it is pertinent to introduce the distinction between 'populist situations' and 'populist interventions'. In this context, by 'populist situation' we refer to a context marked by sharp institutional disintegration and by the simultaneous emergence of a wide variety of heterogeneous unsatisfied demands the existing

order cannot deal with individually, whereas by 'populist intervention' (Panizza 2011; Retamozo 2014) we refer precisely to those attempts willing to address those 'unsatisfied demands' into a new 'chain of equivalence' that, through invoking a yet-to-be-constructed *people*, draw a dichotomous division of the social field in which an antagonistic frontier emerges between the existing order and those who, by virtue of being rejected by it, aim at subverting it. Therefore, the occurrence of a 'populist situation' is a necessary pre-condition for a 'populist intervention' to be successful in re-shaping the social order. It thus follows that a 'populist intervention' is one of the possible resolutions, although not the only one, of a 'populist situation'.

On the one hand, these 'populist situations' are precisely that 'degree of crisis in the old structure' that Laclau (2005a : 177) refers to, a mapping of which may be provided by an analysis of capitalism's internal dynamics. In that respect, an analysis of the laws of motion of capitalism-in-general is too abstract a level of analysis for such a task (Kotz 2015). Instead, an analysis of the concrete institutional form that capitalism takes at a given place and moment is required. On the other hand, as already noted, a 'populist intervention' refers to the formal logic through which various heterogeneous demands can be drawn together into a single popular identity. It thus follows that no specific ideological content is inherently associated to it. While constructing a 'people' requires drawing an internal frontier within society, the ultimate character of such construction will depend upon which specific difference is emphasized in such construction (Miró 2017). Equivalential logics, in order to operate successfully, depend upon postulating an 'Other' in opposition to which the resulting popular construction will acquire its ultimate character. For instance, whereas a 'people' that achieved internal unity by emphasizing its difference with respect to the financial elites would probably show a progressive and inclusive character, one that was configured in opposition to

immigrant groups would surely be a reactionary one. Therefore, because of the abstract character of populist logics, no immanent criteria of demarcation can be derived from its own very definition.

In what follows, it will be argued that organic crises ensuing after a Liberal SSA's internal breakdown should be assimilated to what we have termed 'populist situations', while the opposite holds in relation to Regulated SSAs. This explains the pervasiveness of populist expressions in the current historical juncture in comparison to the years following the demise of Fordism, for instance. In order to support this claim, we will focus upon the actors each type empowers during the expansion-phase, the nature of the systemic breakdown ensuing from each, as well as the mode of emergence of unsatisfied demands following the latter.

6.2 Expansion and Crisis in Regulated SSAs.

In order to apprehend the nature of the organic crisis corresponding to each SSA it is necessary to understand the existing relation between the problems endogenous to the production process and the 'accumulation of unsatisfied demands' ensuing. The nature of the former conditions the development and unfolding of the latter. Each systemic crisis involves a re-composition of existing social orderings and hierarchies, through which the diverse alignments among different groups that had sedimented during the prior phase of expansion reveal their ultimately contingent character. While every process of SSA demise and change involves a transformation of its underlying group of supporters, as well as the relations of hierarchy existing among them, the way in which the processes of accumulation and profit-making had been framed and organized during the previous phase of expansion conditions the nature of the systemic crisis ensuing, the political agents involved in the struggle for institutional re-definition, and the potential outcomes resulting from the latter.

One of the main differences of Regulated SSAs in relation to their Liberal counterparts are the different implications each carries with respect to the aggregate rate of capital accumulation. Two of its most salient features, namely, a tendency towards co-respective competition among individual capital units and a more cooperative stance towards organized labor, tend to have positive implications for capital accumulation. While the former tends to lengthen the temporal horizon under which investment decisions are made, the latter favors the eventual realization of the surplus-value previously generated in production, encouraging the re-investment of money-capital into the productive process rather than into inherently speculative activities. Despite Regulated SSAs promoting social stability over the long run by progressively broadening the material base over which different groups' demands can be satisfied, the existence of coordination problems within the capitalist class may prevent its implementation at a given conjuncture. Although economic growth and accumulation do not incorporate diverse groups into a SSA's base of beneficiaries on an equal footing, they do provide a material base for various subaltern groups to accept their particular mode of inclusion within the social fabric.

While the exact form of its institutional appearance will be idiosyncratic to each particular case, the manner in which its different institutional blocks fit each other shows a certain coherence, consisting in the 'active regulation of economic relations and behaviors by various types of institutions other than market forces' (Kotz 2013a : 340). The oligopolistic nature of capitalist competition, together with a higher implication of other social actors in running the economy, favors a more egalitarian distribution of social output among the actors involved. A broadening base of beneficiaries ensures that increased accumulation will find its necessary counterpart in a progressively growing aggregate demand, so that the eventual occurrence of a 'realization crisis' is generally not a serious threat to

the existing social order. Moreover, it also permits the accommodation of different demands over an 'expanding pie', as well as the gradual inclusion of different groups whose demands were not taken into account in the initial 'relations of equivalence' that had supported SSA's establishment at its early stages.

Systemic crises of Regulated SSAs tend to take the form of a relatively long period of macroeconomic instability (Kotz 2013a : 342), manifested through a gradual descent of the average rate of profit from peak-to-peak of successive business cycles rather than through a sudden crash of economic activity. Regulated SSAs foster the spread of various demands over existing profits that compromise the conditions needed for surplus-value creation. For instance, the climate of cooperation between capital and various subaltern groups that is at the core of a Regulated SSA's institutional edifice empowers the former so as to progressively further pressures upon the existing social output.

The process of 'accumulation of unsatisfied demands' and the gradual decline in profitability should not be understood as independent social processes. On the contrary, the conditions that had promoted profitability during the expansion phase underlie the emergence of this set of 'unsatisfied demands' that will eventually reinforce the process of SSA decay. In a nutshell, eventually, success breeds failure. Whereas the initial stages of a new SSA require diverse groups to show their consent towards their respective positions in the social order, the gradual improvement of their material conditions of existence sets the terrain for a growing contestation of the institutional basis that had regulated social co-existence up to that point. In sum, Regulated SSAs, through their normal functioning, endogenously generate a growing mass of unsatisfied demands during its phase of expansion that, paradoxically, accelerate economic decline by putting additional pressures upon existing profits. This 'accumulation of unsatisfied demands' over existing profits during the phase of

expansion does not manifest itself through a sudden crash but through growing macroeconomic instability. On the one hand, different stages of the circuit of capital suffer from pressures for institutional change according to various groups' requirements, thus impeding economic activity to proceed as it used to. On the other hand, dealing with these demands (either through satisfaction or through repression) implies additional costs over existing profits.

The Post-War SSA in the United States provides a very accurate example of these dynamics. Gordon, Weisskopf and Bowles (1987) list four main institutional pillars that had sustained economic activity in the Post-War order: US international dominance (*Pax Americana*); a capital-labor accord; a capital-citizen accord; and the moderation of inter-capitalist competition. It will be shown how a variety of 'unsatisfied demands' gradually emerged out of the 'normal' development of these constituent institutions, which thus put under increasing stress the existing institutional structure as well as its capacity to ensure 'social peace' and sustained economic activity over time.

On the one hand, problems internal to the accumulation process emerged as the role played by the U.S. as the industrial leader of the new world order started to be challenged by growing competition from European and Japanese manufacturing (Brenner 2006). Increasing penetration of Japanese and European imports into the national market gradually led to a growing excess of capacity in the U.S. industrial sector that, in turn, contributed to lower the average rate of profit in manufacturing. Therefore, the surplus generated by the U.S. economy through which to be able to satisfy the material requirements of various subaltern groups gradually came under growing restraint.

On the other hand, several groups that had occupied a position of subalternity *vis-à-vis* U.S capital progressively manifested growing dissatisfaction with existing social arrangements. Firstly, Third World

countries began to struggle against U.S. domination in the 1960s, thus compromising the steady supply of raw materials needed for the latter's industrial production. Secondly, the 'capital-labor accord' became increasingly contested. Increasing material security, associated with the decreasing influence of unemployment as a disciplinary device, enabled the spread of diverse demands from an increasingly militant labor movement. From demands related to workplace safety to a blunt rejection of Taylorist discipline and its associated lack of autonomy, capital had to incur in increasing costs to safeguard the social stability needed for economic activity to continue.

Thirdly, the 'capital-citizen' accord gave way to a climate of increasing contestation of the capitalist order. The anti-War, feminist, environmentalist, or civil rights movements were but multifarious expressions of a general climate of rejection of a social order ultimately subject to the vagaries of capitalist self-reproduction. On the one hand, this situation forced an increase in the costs capital had to incur in through various regulations that limited its scope for action. On the other hand, the multitude of expressions in which this movement of social rejection was reflected opened the possibility of a system-wide 'equivalence' among various conflicts that could have questioned the capitalist order as such.

In sum, a gradual 'accumulation of unsatisfied demands' took place due to the steady empowerment of various groups that had been assigned a subsidiary role in the social order *vis-à-vis* capital, so that the increasing 'costs of keeping people down' (Bowles, Gordon, and Weisskopf 1990) capital had to incur in eventually put further pressures upon an increasingly compromised accumulation process. When these are considered together with the internal problems that capital was experiencing at the time as a result of growing international competition in manufacturing, it is rendered clear that the institutional conditions that had secured capitalist domination during previous decades, and thus sustained capital accumulation and

economic growth, were increasingly fragile. The institutional structure that had permitted to accommodate different groups' demands over an 'expanding pie' progressively turned into its opposite, an 'accumulation of demands over a shrinking pie' which could not but reinforce SSA decline.

The manner in which systemic crises derived from Regulated SSAs unfold ultimately constrains the different scenarios its eventual resolution can give rise to. Kotz (2010b) argues that several factors explain why systemic crises derived from Regulated SSA's internal contradictions tend to be 'milder', thus limiting the existing possibilities for radical systemic transformation. On the one hand, the oligopolistic nature of inter-capitalist competition characteristic of Regulated SSAs tends to generate a climate of cooperation among the capitalist class that makes it easier for them to act as a unified agent when the political struggle for redefining the contours of the next SSA arrives. On the other, the State has recent experience in managing the economy so that, when problems eventually become insurmountable, it has the means to bring the crisis to a quicker resolution along continuist lines.[30]

This means that a transition to a liberal form of capitalism is a more likely outcome than radical systemic transformation. Wolfson and Kotz (2010) hypothesize that there might be a natural tendency for Regulated and Liberal SSAs to alternate with each other. As the latter are mainly based upon enshrining market principles within various social institutions, building up a Liberal SSA out of a decaying Regulated SSA basically amounts to deconstructing the old institutional structure. This is an inherently easier task to be effected

[30] Moseley (2013 : 382) argues that there might be a deeper reason for Regulated SSAs to be succeeded by a Liberal one. Capitalists' refusal to significantly devalue wide masses of capital in order to restore the rate of profit leads to shift the burden of adjustment towards workers' wages so that, 'in a dynamic, long-run sense, a falling rate of profit may evolve into a realization problem'.

than having to build complementarities anew among different institutional spheres. Using Hirschman's (1970) terminology, while Regulated SSAs are based on 'voice', 'exit' is an ever-present possibility for capital when things are not going as expected.

While the reasons just indicated mainly refer to capital's capacity to prevent a process of radical transformative change by favoring a transition towards a Liberal SSA, we disagree with Kotz (2010b : 377) in presuming that increasing standards of living accruing to the working class during the previous expansion phase make an anti-capitalist stance towards the existing social order less likely. Not only did the (uneven) improvements in the material conditions of existence of the working-class enabled increasing contestation of the institutional bases of their subordination but, most importantly, the wide variety of democratic demands that spread through many Western economies during the 1960s and 1970s account for a *de facto* condemnation of the capitalist social order, although 'Anti-capitalism' might not have been the slogan under which oppositional movements had grouped at the time. System-threatening social upheaval finds no privileged locus in class-related social identities but, on the contrary, crucially depends upon, firstly, an overdetermined translation of multifarious conflicts into incommensurable social demands and, secondly, an 'equivalential' relation to be developed among the latter through the hegemonic struggle itself.

In relation to our discussion of populism, two main features of the political scenario corresponding to a Regulated SSA's decomposition impede its qualification as a 'populist situation' in the above-mentioned sense. On the one hand, demands tend to emerge gradually during the phase of expansion, being susceptible to be dealt with in a relatively orderly and sequential manner by an institutional order that still retains strong competences to accomplish such a task. Despite the period of macroeconomic instability being relatively lengthy, the basic institutional foundations regulating the social order, although widely

contested, will not be shattered at once. On the other hand, the absence of an abrupt institutional breakdown prevents political identities developed during the phase of expansion from suddenly losing their legitimacy, so that political struggle is likely to take the form of a combat between already-consolidated forms of identification rather than a confrontation in order to produce new ones. Although the strong capacities retained by the ruling classes in order to defer from existing social pacts make a transition towards a Liberal SSA a more likely outcome than a transition to some non-capitalist mode of social organization, the ultimate resolution of the political crisis will be partly dependent upon the hegemonic struggle itself. However, it can be ascertained that populist interventions will not be a determinant element of such struggle.

Recent U.S. experience exemplifies this scenario. After the convulse years of the 1970s, active measures were taken in order to restore capital's supremacy over labor, a political program which Bowles et al. (1983) succinctly termed the 'Great Repression'. These measures included a new oppositional stance towards organized labor, including lowering minimum wages, reducing social benefits and policies actively confronting unions (Rosenberg 2010); dismantling industries where unions were the most powerful and/or using the threat of relocation to curb down labor's power (Wallace and Brady 2010); and a Federal Reserve's restrictive monetary policy aimed at restoring mass unemployment as a key disciplinary device. The final outcome was a new institutional structure, with few links to the former one, which reflected capital's dominance over other social groups. In a sense, the 'accumulation of unsatisfied demands' that had emerged during the expansion phase of the Post-War SSA was no longer a problem to social stability after the early 1980s. However, it was not due to a partial satisfaction of the growing popular discontent. On the contrary, demands waned from the public arena because the ground upon which they were made eventually crumbled, and the horizon

with respect to which those demands addressed an absence virtually disappeared.

6.3 Expansion and Crisis in Liberal SSAs.

Systemic crises fostering the disintegration of a Liberal SSA yield a sharply different scenario from the one presented above. Contrary to Regulated SSAs, key features of Liberal SSAs tend to result in lower levels of aggregate capital accumulation. On the one hand, the prevalence of cutthroat competition among individual capital units shortens the temporal horizon of investment, thus making inherently speculative activities more attractive. On the other, increasing inequality along different social dimensions jeopardizes potential demand for increasing productive capacity. In sum, aggregate levels of (productive) capital accumulation tend to be rather low. However, it will be shown that their lower ability to generate a surplus to be distributed among diverse groups does not necessarily compromise its capacity to generate a material basis for the social consensus that is needed.

Liberal SSAs are characterized by the 'expansion of market forces at the expense of other forms of economic regulation' (Kotz 2013a : 341), thus reinforcing the power of capital in various spheres of social life. Generally, despite favoring surplus-value creation, its institutions tend to simultaneously compromise the latter's eventual realization. While this is a crucial contradiction in terms of every Liberal SSA's systemic reproduction, any successful SSA needs to generate certain institutional mechanisms that postpone the eventual occurrence of a systemic breakdown. Otherwise, the former would not be qualified as an SSA in the first instance.[31] The contradiction between the

[31] 'The neoliberal SSA was resolving, or postponing for decades, the realization problem. Indeed, it must have done so in order to be an SSA' (Kotz 2013a : 343).

conditions necessary for surplus creation and those needed for its ulterior realization might never present itself as such, as it might give rise endogenously to other contradictory tendencies that, at a later moment, might as well cause a systemic breakdown, although one of a significantly different nature. Therefore, rather than postulating a hierarchical ordering of social contradictions, it is necessary to appraise the ways in which diverse social processes co-exist among themselves in a permanent state of tension and contradiction.

Attaining long-lasting social stability requires these various social processes to mutually sustain each other, through their common interaction, despite them being potentially contradictory. That is, for the whole set of their relations to be sustained over the long run, their joint interaction ought to contain their potentially explosive character. Recent U.S. experience under neoliberalism provides an accurate example of the ways in which a latent realization crisis tendency may endogenously give rise to different trends that postpone the eventual actualization of the former: 'Neoliberal capitalism was able to operate as an SSA for the very reason that its institutions were able to prevent a crisis of underconsumption for 25 years' (Kotz 2013b : 287). Growing profits in the face of stagnating wages, besides stimulating business investment due to a general climate of euphoria among the capitalist class, not only fostered the occurrence of various asset bubbles but also increasing levels of household indebtedness among the working classes. While the former encouraged increasing consumption through the operation of a wealth-effect among those holding assets, the latter permitted upward consumption patterns despite sluggish wage increases. In sum, despite growing concentration of wealth and income, aggregate demand might grow in line with productive capacity for a long time through the operation of these unsustainable trends. While these trends were unsustainable in the long run, it was precisely their joint occurrence that corrected their

inherently contradictory nature and permitted the system's reproduction over decades.

The means through which a latent realization crisis tendency has been postponed gave way, in the U.S., to a different type of crisis tendency, namely one of 'asset bubble-induced over-investment' (Kotz 2013a, 2013b), as a 'latent' excess of industrial capacity was not revealed as long as consumption kept growing in line with GDP thanks to increasing levels of household indebtedness.[32] The latter could be expanded, despite stagnant wages, as long as a housing bubble allowed a risk-prone financial sector to keep lending them money using households' appreciating assets as collaterals, and so on. However, once the housing bubble eventually deflated, and consumer spending returned to a normal relation to disposable income, it was revealed that the whole institutional edifice was dependent upon certain trends whose endless reproduction was merely a chimera.

Therefore, a social order was indeed successfully reproduced under neoliberal capitalism, although one of a significantly different nature than that corresponding to Regulated SSAs. Liberal institutional edifices are generally not based upon compromises reached between capital and other subaltern groups, nor they tend to gradually empower the latter through a gradual improvement of their material welfare. As their constituent institutional elements tend to reinforce the power of capital in the process of surplus-value extraction, it is unlikely that a proliferation of unsatisfied demands during the expansion-phase will manage to disrupt the normal functioning of the production process. Therefore, the interaction between the emergence of unsatisfied demands and the evolution of the rate of profit ought to be sought elsewhere.

[32] See Bakir and Campbell (2015) for an opposite view on whether over-investment should be considered the key crisis tendency under neoliberalism in the U.S.

While that regarding surplus-value realization is generally a contradiction at the very core of each Liberal SSA, the mechanisms generated to postpone it tend to make the eventual crisis worse (Kotz 2010b : 370). As noted above, a set of unsustainable trends may provide mutual sustainment to each other so that social stability is attained for a relatively long time. However, the potentially contradictory character of each of the main components of such institutional architecture implies that the disintegration of one of them tends to carry with it the breakdown of the whole institutional assemblage, rather than just one of its individual components. That which gives stability to the whole are but the relations of complementarity existing among its components so that, by the time these mutually-sustaining trends can no longer reinforce each other, a sudden crash of economic activity ensues rather than a long period of macroeconomic turbulences (Kotz 2013a : 347). In sum, Liberal SSAs 'tend to eventually produce a *severe* structural crisis of accumulation' (Kotz 2010b : 368, emphasis added) because, in order to resume economic activity, the whole institutional edifice needs to be restored (i.e. the relations of complementarity existing among its various components), rather than just some of its single elements.

The analysis presented above concludes that systemic crises derived from a Liberal SSA's collapse tend to last longer than those corresponding to Regulated SSAs. Under the presumption that Liberal and Regulated SSAs tend to alternate with each other, Kotz (2010b, 2013a) argues that, because Regulated SSAs usually take longer to be built up, the corresponding period of institutional indetermination is comparatively more prolonged. On the one hand, Liberal SSAs tend to weaken the managerial capacities of the State as well as to undo a general climate of cooperation within the capitalist class, so that a unified response by the ruling classes is less likely to be straightforward. On the other, prevalent trends of impoverishment and indebtedness among private households leave private aggregate

demand with little sources to keep on fostering production growth during the recession-phase. Furthermore, while Liberal SSAs may be established by merely deconstructing a previously existing Regulated SSA, in the present case a whole SSA needs to be built up anew.

Regarding the nature of its eventual resolution, systemic crises of Liberal SSAs yield, *a priori*, a more indeterminate scenario. Kotz (2010b) speaks of a paradoxical situation regarding the existing possibilities for radical systemic transformation. Despite the severity and duration of the crisis period, there might not be an already-existing political subject ready to give a political battle worthy the name, as a result of those trends that had governed the previous expansion phase. However, despite potentially transformative movements having been systematically weakened, the necessarily long period of institutional re-composition grants the possibility of that subject emerging during the period of political struggle itself.

This essay contends that, in order to shed some light upon both the nature and likely resolution of each systemic crisis, it is necessary to analyze the co-implication between those problems internal to the production process and their effects upon the disintegration of the social consensuses that had framed and supported it during the previous phase of stability. Under Regulated SSAs unsatisfied demands tend to emerge during the expansion-phase as the disciplinary mechanisms of capitalism progressively loose their grips over various subaltern social groups. The latter's contestation of their respective roles in the social fabric amounted to growing pressures over the various stages of the circuit of capital, which translated into increasing macroeconomic instability. Liberal SSAs yield a radically different scenario. Despite its relative inability to generate a growing surplus through which to accommodate 'different demands over an expanding pie', a social order could have been maintained thanks to the operation of a set of inherently unsustainable trends. Systemic crises corresponding to Liberal SSAs involve a sudden crash followed by a long period of

stagnation, due to the sudden implosion of several social processes, intrinsically contradictory, that had regulated social objectivity so far.

A social order is the result of the hegemonic struggle through which some groups are differentially integrated while others are simultaneously relegated to a radical ostracism. The reproduction of this differential integration is ultimately dependent upon the successful operation of certain social dynamics that enable each group to receive a given portion of the social product. Of course, the portion that ought to accrue to each group in order to show satisfaction with existing social arrangements is a perennial object of contention within the hegemonic struggle itself. However, once the already mentioned unsustainable trends cannot be reproduced any longer, a sudden crash gives way to an abrupt process of institutional decomposition.

As the economic situation worsens, certain groups that had been successfully integrated into the social order are suddenly faced with the precarious character of their mode of inclusion. Moreover, the relative absence of a climate of cooperation among social actors during the expansion phase favors the adoption of defensive measures by economic elites. Hence, several groups that had been successfully integrated in the social order are abruptly expelled from their differential positions. The 'naturalness' with which each group understood their differential inclusion within the social order is violently shattered, the sedimented relations among them are shown to be contingent and their shared worldviews start to disintegrate. For instance, long-lasting wage stagnation can no longer be disguised through a massive expansion of household debt; middle-class expectations linked to consumption patterns are shown to be no longer tenable; and the gradual degradation of public services and job conditions renders clear what neoliberal public policy was all about. Therefore, an abrupt breakdown of social cohesion ensues, throwing underlying social divisions abruptly into light.

In sum, the economic crash is followed by an intense and simultaneous proliferation of unsatisfied demands, radically heterogeneous in nature and without already-constituted relations among them. On the one hand, the impossibility to deal with them in an individual and orderly manner, together with the inability to generate a material surplus in the short-run with which to offer them a new material integration, yields the possibility of a new alliance among those that had been rejected precisely on the basis of their common rejection of/by the *status quo*. On the other hand, the dislocatory effects of the crisis upon social identities are not restricted to one single area of the social but affect instead very different latitudes of the social order. The implosion of the several processes that had been regulating social objectivity makes the 'unsatisfied demands' ensuing inherently heterogeneous in nature. In short, it is the inherently heterogeneous character of those unsatisfied demands as well as the abrupt and simultaneous character of their emergence that permits us to qualify the ensuing scenario as a 'populist situation'.

For economic activity to be resumed in a sustained manner, new alliances and coalitions ought to emerge in order to establish the institutional bases that will regulate the next period of long-lasting stability. In terms of the possibilities of radical transformation, it is strictly necessary that a political subject emerge during this period of institutional re-definition. On the one hand, new elements are needed that enable the recently excluded to constitute themselves as a political subject capable of taking part in the political struggle, as their differential positions in the previous social order prevent them from having already drawn relations of solidarity among themselves. On the other, for the reasons already offered, the political struggle for institutional redefinition will be necessarily long, so that there is a possibility that such movement will emerge in the course of the struggle itself.

'Populist situations' signal that 'populist interventions' will show much higher hegemonic depth in their attempt to reshape the social order, relative not only to other historical periods when a successful SSA operates but also to those corresponding to a systemic crisis of a Regulated SSA. Current U.S. experience provides a good example of these dynamics. Two antithetic dichotomizing narratives can be found spreading through the social body, both aiming at collapsing a wide range of unsatisfied demands into a new popular identity. One could be found in the thread linking the Occupy movement to the Sanders campaign, whereas the other one would be associated with the Tea Party through to Donald Trump's presidential campaign. This exemplifies how populist logics can serve very different political projects. It is not the content articulated that which makes them populist, but rather the very form of such an articulation. One that attempts to build a 'people' in opposition to the financial elites and their connivance with their political counterparts would surely be one ready to advance progressive goals towards a fairer and more inclusive society, whereas one that built a 'people' in opposition to certain dispossessed groups would certainly stand by the former's very opposite.

This example highlights the relevance of correctly apprehending the exact terms in which the political struggle is to be conducted. In particular, for those on the Left, populist logics ought to be consciously studied, rather than just being considered but a degraded and misguided version of truly emancipatory politics. The structural terrain upon which the political struggle is currently being conducted is one conducive to populist interventions, so that those refusing to accept the constraints imposed upon the hegemonic struggle by the nature of the underlying material processes will be necessarily doomed to fail in their attempts to re-shape the social order.

6.4 CONCLUDING COMMENTS.

This chapter has offered an interpretation of the political situation that neoliberalism's internal implosion has delivered by grounding it upon capitalism's internal dynamics. Moreover, it has been argued that the nature of capitalism's organic crises can only be correctly grasped by paying due attention to the forms in which its previous expansion phase has been sustained. Merely focusing upon capitalism's abstract features would leave us ill-suited to confront the political challenges currently ahead of us. The analysis presented above enables us to draw some lessons regarding the nature of the present political struggle.

Firstly, systemic crises under capitalism call for significant institutional transformation and thus widen the horizon of the political. However, depending on the nature of the institutional structure that fostered them, systemic crises will differ sharply among themselves regarding the nature of the political contention, the character of the political actors involved and, ultimately, the existing possibilities for radical systemic transformation. Secondly, the decomposition of a liberal institutional structure, such as that corresponding to neoliberalism in the U.S., delivers a situation of widespread dislocation in which the simultaneous emergence of unsatisfied demands paves the way for populist logics to address them. Thirdly, diagnosing the current context as a 'populist situation' means that the ongoing political struggle will not take the form of a battle between old social identities but, on the contrary, of a contention to produce such new forms of identification. Fourthly, the current systemic crisis of neoliberalism will last until a new set of institutions is implemented that permits economic activity to be resumed in a sustained manner for a relatively long period, that is, until a new SSA is established, whose character will be ultimately dependent upon a contention between competing attempts to construct the 'people', that is, a confrontation between potentially antithetic 'populist interventions'.

USC
UNIVERSIDADE
DE SANTIAGO
DE COMPOSTELA

PART 2.
THE EVOLUTION OF SPANISH NEOLIBERALISM.
1995-2016.

USC
UNIVERSIDADE
DE SANTIAGO
DE COMPOSTELA

7. THE SPANISH ‘MEDITERRANEAN’ LIBERAL SSA: A CHARACTERIZATION.

The various chapters included in the present block attempt to offer a characterization of the recent diachronic evolution of the Spanish social formation by having recourse to the theoretical framework developed in preceding chapters. Our main goals are, firstly, to analyze the various lines of social segmentation emerging from its internal working, paying close attention both to the historical evolution of old cleavages as well as to the development of new axes of social differentiation; secondly, to appraise potential lines of political confrontation, distinguishing between those who did acquire actual materialization in the course of its evolution and those that had remained latent throughout, in order to understand existing sociopolitical alignments and; thirdly, to understand the underlying crisis tendencies it harbored within, in relation to the profound socioeconomic crisis the Spanish social formation is currently undergoing.

Our core hypothesis is that the current situation in the Spanish social formation corresponds to the systemic crisis of an underlying SSA, which we propose to qualify, however tentatively, as a ‘Mediterranean’ Liberal SSA. Its growth-phase reaches from 1995 until 2008, the last year it managed to secure positive rates of GDP growth, thereby initiating a phase of prolonged decay and institutional degradation still lasting nowadays. It will be shown that, while it was an inherently contradictory and fragile institutional ensemble, it was

nonetheless very successful according to the very terms its operation helped consolidate. This chapter will limit itself to justify, step by step, the characterization we are proposing. Firstly, it will be argued why it deserves to be qualified as a well-functioning SSA. Secondly, its Mediterranean traits will be accounted for. Lastly, by having recourse to Wolfson and Kotz's (2010) distinction between Liberal and Regulated SSAs, it will be argued that recent Spanish experience may be associated to the former.

7.1 WHY AN SSA?

It is our contention that the institutional assemblage governing socio-economic reproduction in the Spanish social formation during the last two decades should be treated as a well-functioning SSA. While the period when it showed greater economic success and dynamism spans from 1995 until 2008, the years that follow should nonetheless be understood as an (still unfinished) process of gradual decomposition of the underlying social structure that had governed the previous phase of expansion. The reasons that, in our view, justify its treatment as a well-functioning SSA concern the limited geographical reach of its mode of operation; an identifiable temporal span; its ability to develop various internal complementarities and synergies; and, lastly, its capacity to attain a level of social peace high enough to support ongoing capitalist activity. We will analyze each in turn.

7.1.1 Geographical and Temporal Reach.

Regarding the institutional determinants of the last phase of economic prosperity within the Spanish social formation, one of the main features that most immediately comes to light is the markedly self-centered character of its core economic processes, that is, their own individual reproduction was mainly secured through the various

synergies developed within the SSA itself. For now, it suffices to point out how internal demand constituted itself as the main component of GDP growth during the expansion-phase; how households’ aggregate consumption levels rose in line with GDP during those years, in turn a crucial element to cement existing social consensuses; how the operation of a massive housing bubble, the ultimate foundation of the SSA’s diachronic reproduction, was not only fed by internal demand but had also a crucial impact upon the national territory; or how the Spanish State played a paramount role in systemic reproduction, both in terms of helping Spanish capital restructure itself, as well as in terms of its crucial involvement in ‘manufacturing’ the above-mentioned bubble.

We are well aware of the various dangers implicit in reifying the national level of analysis, thus losing sight of its necessary interrelation with several other social processes untraceable to the concerned national level of reference. Not only, in the last instance, every social process partakes of the conditions of existence of any other social process under consideration (Resnick and Wolff 1987), but, most relevantly to our purposes, several among the Spanish SSA’s constituent processes have an indisputable extra-national character, such as, for instance, the vast amount of liquidity that helped fuel the housing bubble, derived from Spain’s integration within the European Monetary Union; the process of internationalization undergone by Spanish capital; or the large swathes of immigrants arriving since the early 2000s. However, we do contend that a framework of analysis centered upon existing institutional equilibria contained within Spain’s national borders is justified by the nature of the interrelations among the former as well as by strictly heuristic purposes.

Regarding its actual timespan, some precisions are due. While the effects of a well-functioning SSA are mostly qualitative in nature, quantitative information remains nonetheless crucial to properly

apprehend the former. As noted in previous chapters, every isolation of social processes for analytical purposes is crucially dependent upon the analyst's subjective appreciation. Moreover, every SSA contains several social processes which, despite their potentially crucial role in sustaining social reproduction, might have different historical origins, some clearly anteceding the beginning of the expansion-phase while others might not even have been in place at the moment of SSA early consolidation. In our view, the strength it did show during the expansion-phase (in terms, for instance, of GDP growth, capital accumulation or employment growth) as well as its very long duration (especially considering the ultimately precarious nature of its foundations) justify its treatment as a coherent whole, whose inner workings are worthy of in-depth theoretical scrutiny.

One last precision should be made. Some of its core traits were already present in the last phase of economic growth, dating from 1986 to 1991 (e.g. the crucial role of a housing bubble in sustaining aggregate demand, a predominant role of financial over industrial capital, etc.). However, its temporal duration was much shorter, and the level of internal coherence achieved by then remarkably lower. We acknowledge that it could be argued that the starting point of the SSA in question should be set at 1986, in turn considering the recession between 1992-4 to be merely a short-lived blockage to an otherwise ascending two-decades-long trajectory. However, we understand the period 1986-91 to constitute the 'exploration phase', in Gordon et al. (1982) terminology, of the upcoming SSA, when the institutional mechanisms that would later ground economic expansion were being tentatively set up, whereas the years from 1995-2008 constitute the 'consolidation phase' of the SSA, a period when the main social processes governing economic expansion were eventually established and its joint occurrence further reinforced through the generation of various synergies and complementarities. As seen in greater detail in the next chapter, several elements still present in the 1986-91 period

prevented the incipient complementarities among various social processes, by then still in the process of being developed, from acquiring full intensity, as certainly was the case during the upcoming period. Among the former, one could cite, for instance, a deindustrialization process which had not yet been completed; organized labor being still a relevant actor within the political arena, as manifested in the general strike of 1988; and a national currency which eased the translation of internal contradictions into external disequilibria.

7.1.2 Internal Coherence.

Next chapter will explore in much greater depth the way in which the various social processes concerned managed to secure each other’s reproduction during the whole expansion-phase. Now, it suffices to say that systemic reproduction during the upward phase of the cycle was guaranteed by several relations of complementarity and mutual constitution among several social processes which, when they are considered in isolation (that is, without reference to the actual social context where they had actually been developed) indubitably show a markedly contradictory character but which, nonetheless, did effectively manage to secure each other’s conditions of existence. As shown at length below, economic expansion between 1995 and 2008 was ultimately grounded upon several trends whose indefinite reproduction was not only socially undesirable but also radically impossible to attain, such as a housing bubble of magnificent proportions, soaring levels of indebtedness among private agents, a distorted accumulation process, rising consumption levels in face of wage stagnation, and so on. It is crucial, however, to point out how their intrinsically contradictory character not only was no impediment for their respective individual reproduction but acted instead as a driving force of their mutual co-evolution. Moreover, their

contradictory character was not erased, not even attenuated, during the expansion phase thanks to their idiosyncratic modality of interrelation. On the contrary, it was actually accentuated during the whole upward phase, which in turn explains the singular virulence shown by ensuing systemic crisis.

In this sense, the notion of complementarity we are entertaining here is not susceptible of being grasped were these various social processes considered statically but is crucially dependent, instead, upon appraising their joint dynamic evolution. For instance, while a distorted accumulation process primarily driven by asset-revaluation dynamics might be considered as counterproductive regarding mounting levels of indebtedness, as it significantly complicates future debt repayment by deteriorating the underlying productive structure, recent Spanish experience illustrates how these two processes did reinforce their mutual occurrence all throughout the expansion phase, despite their mutual interaction significantly enhancing their intrinsically contradictory character. Moreover, these relations of complementarity are not external to already-constituted institutional blocks but refer instead to the tendential dynamics undergone by each, which, in the course of their own development might even transform the nature and form of the underlying institutional blocks themselves. That is, we are not interested on whether the specific institutional configuration of, say, the Spanish financial system, increases or not the expected returns of a sharply dual labor market but, instead, on whether the intrinsically contradictory dynamics of each do reinforce or not similarly contradictory developments in co-existing institutions. In sum, when we speak of complementarities we discard any notion of healthy interrelation whatsoever, while focusing instead on the means through which the whole institutional edifice managed to reproduce itself for a relatively long timespan despite its underlying foundations being crumbling since the very beginning.

While the sound macroeconomic performance it managed to deliver during the expansion phase, together with the wide social consensuses it did effectively manage to generate, testify for their successful interaction during these early years, the various relations of mutual constitution and reinforcement emerging among these contradictory developments does account as well for the sudden and fully-fledged character of the ensuing recession. In sum, the very mechanisms that ensured its joint reproduction for a certain time acted as well as catalysts for the subsequent institutional breakdown.

7.1.3 Conflict Pacification.

The last requirement for an existing institutional assemblage to qualify as a well-functioning SSA concerns its capacity to prevent widespread social contestation over its mode of operation. As noted in previous chapters, we do not mean by this that social conflicts ought to be eradicated, nor even that they should be either minimal or transitory. Rather, we mean that existing social conflicts ought to be channeled and articulated in such a manner that their public expression does not unsettle the key institutional equilibria governing socio-economic reproduction. We consider social conflicts to be an ineradicable feature of any contemporary society, derived either from asymmetric conditions of visibility enjoyed by the agents involved, or from the necessarily unequal share of outcomes and responsibilities allotted to each regarding socio-material reproduction. Therefore, while the proliferation of social conflicts of various types will be an ever-present feature of any social formation under consideration, the crucial thing to note is that their respective expressions ought not to disturb the mode of operation of the social order’s main institutional buttresses. Underlying dissatisfactions with the existing social order need to be articulated around certain themes and issues which do not politicize, either explicitly or implicitly, those social processes being

the most crucial regarding the diachronic reproduction of the whole institutional assemblage governing socio-material interaction.

The Spanish SSA under consideration, despite being plagued with several internal disequilibria, having rearticulated old lines of segmentation while engendering some new social cleavages, did manage to generate wide social support to its internal operations or, at least, did manage to prevent its intrinsically antagonistic grounds from acquiring full political expression. Various social consensuses were effectively manufactured, relative, for instance, to the desirability of developing a massive housing bubble; the redefinition of middle- and working-class statuses as dependent on consumption patterns instead of labor market outcomes; the normalization of widespread labor precariousness and welfare state underdevelopment; or the pro-growth orientation of subnational governments and municipalities. Moreover, various key social processes, whose joint occurrence and interrelation remained crucial to ensure the reproduction of existing institutional equilibria, were intrinsically conflict-prone as the social dynamics they helped generate and reinforce were inherently antagonistic in nature. However, as shown below, it is precisely their joint occurrence and mutual interaction that which prevented their individually antagonistic nature from giving rise to political expressions susceptible of undoing existing institutional equilibria. As soon as the mutually-reinforcing character of its main institutional blocks came to a halt, the homeostatic functioning of the institutional structure could no longer be secured. The underlying antagonistic dimension of the Spanish SSA came suddenly to the fore, giving rise to widespread social contestation which, in turn, further reinforced the interruption of the above-mentioned institutional mechanisms. Moreover, the fact that the underlying SSA was a Liberal one did strongly condition the form and tempo in which a systemic crisis was converted into an organic crisis, as noted in chapter 6 above.

7.2 WHY LIBERAL?

Drawing upon Wolfson and Kotz's (2010) distinction between Liberal and Regulated SSAs, we argue that the SSA still under operation in Spain ought to be ascribed to the former group. The ultimate coherence of the Spanish structure under consideration is provided by the dominance of capital over other subaltern groups in several separate social spheres. Wolfson and Kotz (2010) list five main characteristics of Liberal SSAs in relation to their Regulated counterparts. While not all of them apply to the Spanish case, it is argued that, on the one hand, the internal coherence of the resulting institutional structure is derived, above all, from the gradual reinforcement of the power of capital in various different social spheres while, on the other hand, the underlying crisis tendencies of the resulting structure closely resemble those typically associated to Liberal SSAs.

As explained in greater detail in chapter 4, Liberal SSAs are characterized by the following structural features. Firstly, they tend to show antagonistic capital-labor relations. This is exemplified by several structural features of the Spanish Labor market in recent decades such as, for instance, the pervasiveness of precarious forms of employment (singularly, fixed-term contracts) or the flat evolution of hourly real wages throughout the whole expansion-phase. Secondly, Liberal SSAs tend to feature cutthroat competition among individual capital units. The Spanish experience deserves in this respect, however, a more nuanced treatment, insofar as the Spanish capitalist structure is markedly dual. In this sense, whereas there are some few firms, globally competitive and heavily dependent upon close connections with the State apparatus, which enjoy a markedly oligopolistic position in their respective markets (i.e. telecommunication, utilities, construction, …), in this sense closely resembling the type of coordinated competition characteristic of

Regulated SSAs, they coexisted with myriad Small and Medium Enterprises (SMEs), technologically backward, with little capacity to undertake product differentiation, and thus too dependent upon wage containment and external flexibility practices to compete among themselves in terms of prices rather than quality. The type of competition of this latter group of firms does closely resemble the anarchic, cutthroat competition Wolfson and Kotz identify as distinctive of Liberal SSAs. Thirdly, in stark consonance with Liberal SSAs' paradigmatic features, financial capital has been (and continues to be) relatively autonomous, to say the least, over industrial capital. Indeed, Spanish capital underwent, in the course of the 1980s and 1990s, a strong process of relocation from industrial to chiefly financial activities, which has greatly shaped the resulting institutional architecture. Moreover, as shown below in much greater depth, many among the most relevant social process regarding systemic reproduction are derived, in one way or another, from this stark predominance of finance capital over not only other subaltern social groups, but also over other competing fractions of the capitalist class itself (e.g. mounting indebtedness, a massive housing bubble, stagnant wages…).

However, the two remaining structural features of Liberal SSAs, in Wolfson and Kotz's account, depart strongly from the Spanish experience under consideration. On the one hand, the role played by the state was certainly not one of self-subtraction from actively regulating economic activity. On the contrary, it played a crucial role in securing Spanish capital's gradual centralization and internationalization, both through widespread privatization processes of previously state-owned enterprises and through various state-sponsored programs aimed at accelerating its shift from industrial activities to chiefly financial ones. On the other hand, the dominant ideology was definitely not subsumable under the eminently individualist ideology Wolfson and Kotz point out. We strongly

disagree with the possibility of characterizing ideological process under such a simple banner but, in case we were forced to do so, we would point out instead the crucial role played by EU integration in legitimizing successive changes in conjunction with an eminently ‘familialist’ ideology that posits the family as the main locus of social solidarity.

Paradoxically, while the internal structure of Spanish capital was plagued with several disequilibria which severely compromised its international competitiveness, it was precisely its situation of dominance over remaining social groups that which enabled it to enjoy such a long period of success, for it allowed it to systematically skew the income distribution in its favor. In this sense, the resulting institutional assemblage was ultimately doomed to fail because capital was ‘too-strong’ (Gordon, Weisskopf, and Bowles 1987). Spanish capital’s strength at home enabled it to postpone for a long time the eventual manifestation of its internal problems through the generation of various institutional mechanisms (while some of them emerged involuntarily, by indirection, some others were explicitly sought and reinforced during not only the expansion-phase but also during the early stages of the crisis period). In sum, while the widespread emergence of unsatisfied demands over existing profits was unlikely to interrupt systemic reproduction, at some point in time the underlying problems in capital valorization were bound to come to the fore, thus undoing those mechanisms that had guaranteed its temporary postponement in the first instance.

One last clarification is due in this respect. In truth, it may be argued that the use of the term ‘Liberal’ to characterize recent Spanish history might be somehow a misnomer. On the one hand, one of the most perfidious effects of the Francoist period are, undoubtedly, an absent culture of public involvement in social affairs, a systematic lack of transparency in state-related matters, and a general perception among the population of political involvement as a futile, if not

dangerous, enterprise. On the other, there has never been a truly liberal form of capitalism within Spanish territory, in the sense of manifold individual capitalist competing among themselves in a state of fair competition. On the contrary, one of the main social traits inherited from the Francoist regime was precisely a business culture all-too-accustomed to profit from their links with State representatives and their access to privileged information as the key basis of new businesses. As nicely summarized by Naredo (2011 : 40-1), the 'liberalism' preached by Spanish elites is but 'an elitist liberalism, which defends the *laissez-faire* only for the powerful, so that they can promote at their will various megaprojects and other real estate enterprises in order to obtain fortunes'. The counterpart of this lack of a well-established liberal tradition is a generalized 'narrow conception of citizenship' (Torns et al. 2013) where social responsibility in governing the public sphere is absent more often than not, which leads us straight to the third term in our characterization of the SSA, still awaiting justification. In sum, we retain the term 'Liberal' in order to call attention to certain morphological parallelisms relative to the socio-institutional organization of the circuit of money-capital. However, as shown in following chapters, the ultimate source of its success was to be found in several markedly illiberal social practices, which, at best, resulted in an asymmetric and predatory liberalism (Naredo 2019).

7.3 WHY 'MEDITERRANEAN'?

The term 'Mediterranean', in the particular sense we are using it here, originates from the Welfare Regimes literature (Esping-Andersen 1990, 1999) to refer to a cluster of countries (Portugal, Italy, Spain and Greece) which arguably shared some common traits regarding the mode of integration of their labor markets, families and welfare state mechanisms, respectively, in securing social reproduction (Arts and

Gelissen 2002). It is argued that those countries share several socio-historical characteristics regarding the institutionalization of welfare provision, such as a common historical trajectory marked by a late and incomplete industrialization together with a shared authoritarian past (Mingione 1995); sharply dual labor markets, where relative employment protection offered to ‘core’ workers (read ‘male’) is in stark contrast with the very high levels of precariousness delivered to its external layers; a patchy and fragmented network of social protection, biased towards the needs of ‘core’ workers and the elders (Ferrera 1996, 2010); universal entitlements to a public health care system; a welfare state with significantly low redistributive reach, affected by high levels of clientelism and patronage in the delivery of social benefits; high incidence of the black/informal economy; and, above all, the constitution of the family as the main locus of social solidarity and welfare provision. In the words of Ferrera (1996 : 21), ‘[w]hat gives some coherence to this kaleidoscope, somehow extenuating its potential excesses and contradictions, is the ‘southern family’, still largely operating as a social clearinghouse, mediating the difficult relationships between a variegated labor market and equally variegated income maintenance systems’.

In our view, it is precisely the idiosyncratic role the family institution plays in securing social reproduction within the Spanish social formation that which merits the inclusion of the tag ‘Mediterranean’ into our own definition. Building upon well-established traditional gender norms, this prominent situation of the family regarding both care provision and social cohesion is reproduced by a situation of ‘implicit familialism’ (Leitner 2003) in the configuration of public policy, where the State does not explicitly encourage families to take up care responsibilities but, precisely through its very inaction, leaves them as the only available alternative regarding care provision. In the words of Flaquer (2001 : 21): ‘The specificity of Southern European countries in the field of family

policy [is found] in the assumption that families are crucial in providing support and services to dependent people, [which] through its inaction, implicitly nurtures and reproduces the assumption that the family is the main provider in society'.

As long as the crucial role Spanish families play in securing social reproduction, both in strictly material, affective, and symbolic terms, is not properly acknowledged, it remains virtually impossible to apprehend, on the one hand, how the key trends governing social reproduction between 1995-2008 behaved in the way they did and, on the other, perhaps more crucially, how widespread social cohesion was secured in face of such antagonistic institutional grounds even after the Great Recession made its entrance into History. Regarding the systemic relevance of social interactions within the family and, crucially, of women's unpaid household and care work, the dual requirements of any social order's successful reproduction, which we have encapsulated in the pair 'accumulation and recognition', need to be highlighted.

On the one hand, Spanish families undertake several activities on whose successful accomplishment wholesale social reproduction crucially depends. Being articulated around very rigid, traditional, and resilient gender norms, their female members are mostly responsible for the manifold tasks needed for the household's ongoing functioning, generally unpaid and guided by a strong sense of moral obligation towards other family members. Moreover, not only are routinary household tasks systematically allotted to them but they also carry, more often than not, the heavy burden of providing for unsatisfied care needs among the 'extended family' members. This situation of dependence within the household (Bettio and Villa 1998), in conjunction with a labor market and a social protection system that systematically discriminates women in favor of their male counterparts, configures women as second-order workers, susceptible of being submitted to greater time-demands and precarious working

conditions in the expectation that they will happily accept them, thus reinforcing the 'low road' pattern of economic development underwent by the Spanish SSA through the whole period under consideration.

On the other hand, Spanish families are characterized both by high levels of internal cohesion and by strong dynamics of solidarity throughout the life-cycle, reaching well beyond the nuclear family structure to cover inter-generational transfers within the 'extended family' network as well. The worst social effects of an inherently antagonistic labor market (either psychological, physical, emotional, or material) that delivers great levels of precariousness and time-strenuousness to all but the 'core' workers, could only be attenuated, in the absence of a sustained and equitable system of social protection, by the intense dynamics of solidarity that characterize Spanish families, materialized in the various affective, emotional and material exchanges taking place within the extended family throughout the life-cycle. Were families not acting as 'social clearinghouses' helping cover those manifold social needs left unsatisfied by both state and markets, the various widespread consensuses that accompanied the long decade of SSA expansion might had been undone well before the period of SSA decay eventually consolidated itself. In sum, it is our view that Spanish women stood as the ultimate sustainers of existing social equilibria during the expansion phase. However, as shown below, soaring female labor market participation in face of a very resilient domestic division of labor constituted one of the great contradictions the Spanish SSA had to deal with, one whose diachronic evolution could not but further aggravate.

7.4. CONCLUDING COMMENTS.

Once a preliminary exposition of the general institutional contours that had governed the diachronic evolution of the Spanish social

formation during recent decades has been offered, it might be a bit clearer what, in our view, makes the Spanish experience worthy of in-depth theoretical scrutiny irrespectively of the personal circumstances of each. Firstly, it shows how great economic success, as measured by standard macroeconomic indicators, can be obtained in a given spatial location for a relatively long time despite it being ultimately grounded upon increasingly crumbling foundations. Secondly, it shows how social consensuses may be reproduced in face of an inherently antagonistic configuration of underlying social processes, and how their disruption proceeds once the latter can no longer be further reproduced. Thirdly, it shows how capitalist processes present in a given social formation are necessarily interlinked with other non-market processes which not only act as the former's own conditions of possibility but may also contribute to accelerate or attenuate the former's own internal rhythms. Positioning the manifold labors offered in the private sphere without monetary compensation, heavily overdetermined by existing gender norms, as well as other income sources not captured in conventional National Accounts (such as those derived from asset-price revaluation), on an equal footing relative to market-based processes, opens a way to study social reproduction in a way that, while acknowledging the epistemological preeminence of the latter in capitalist societies, nonetheless recognizes the utmost relevance of the former in driving the historical evolution of the social formation under consideration. Once the general contours of recent Spanish experience have been delineated, next chapter proceeds to analyze the institutional mechanisms grounding and sustaining the sharp expansion experienced by the Spanish economy during the upward phase of the cycle.

8. THE 'MEDITERRANEAN' LIBERAL SSA'S INTERNAL FUNCTIONING: 1995-2008.

This chapter is devoted to exploring the very idiosyncratic manner in which systemic reproduction was secured during the whole expansion-phase of the Spanish 'Mediterranean' Liberal SSA under consideration. Our core thesis is that its macroeconomic success, on the one hand, and the manifold internal contradictions it nevertheless harbored, on the other, ought not to be considered as disparate events but, on the contrary, it is the latter which accounts, in the last instance, for both the strength and the fragility of the former. Before dealing in detail with the shape of the Spanish SSA in the period 1995-2007, a brief review of its previous 'exploration' phase will be offered, so that lines of historical rupture and continuity can be properly identified. Subsequently, after having briefly reviewed the institutional underpinnings of the Spanish model by paying attention to both the productive and reproductive spheres, respectively, its main underlying contradictions will be scrutinized in detail, namely, the imbalances affecting the capitalist accumulation process, the existing disjunction between soaring consumption levels and stagnating real wages, and, lastly, the growing strenuousness to which Spanish families were submitted in the absence of public support in that regard. Finally, the extent to which the latter jointly reinforced themselves will be accounted for in greater detail.

8.1. SOME TENTATIVE EXPLORATIONS. THE YEARS 1982-1991.

After four decades of authoritarian rule under the Francoist regime, the dictator's death in November 1975 initiated a gradual process of transition towards a liberal parliamentary regime, which was somehow concluded with the victory of the Socialist Party (PSOE) in the 1982 general elections. The transformation of the old State structures coincided in time with a fully-fledged crisis of the Spanish productive apparatus, where the effects of the international over-accumulation crisis in manufacturing were heavily aggravated by the dependent and subsidiary character of Spain's industrial development during the previous two decades.[33] The newly elected Socialist government, headed by Felipe González, enjoyed both the social legitimacy (derived from its social-democratic credentials) and the executive capacity (enjoying absolute majority) that was needed to impose a heavy adjustment program on the Spanish population in order to lay the institutional bases for future economic growth.

In our view, these years should be understood as the 'exploration phase' of the upcoming SSA (Gordon, Edwards, and Reich 1982), a period in which tentative moves were made by various contending social actors in order to shape the institutional contours that will regulate the next period of economic growth and relative institutional stability. For analytical purposes, however, two different periods should be singled out. The first one, corresponding with PSOE's first term in office (1982-86), was marked by the implementation of strict austerity policy measures in order to solve existing macroeconomic disequilibria derived from the breakdown of the former SSA. The

[33] It would be a mistake to understand the economic crisis, on the one hand, and the decomposition of the Francoist regime's state structures, on the other, as disparate events. As noted by Rodríguez (2015 : 36, emphasis added), 'the economic crisis is not the background of the Transition, it is rather *the problem* of the Transition'. Charnock et al. (2014 : 55) express themselves along the same lines: 'Increasingly, then, the struggle waged by the Spanish working class within the institutional form of the fascist state became a broader struggle over the very form of the state.

second one, ranging from 1986 to 1991, corresponds to a period of economic growth where the institutional traits that would guide future economic expansion were mostly consolidated (or, at least, in the process of becoming so), although internal dysfunctions and institutional maladjustments, from the perspective of systemic reproduction, nevertheless persisted.

By 1982, immediately after getting into office, an ‘orthodox’ adjustment program was immediately implemented in order to correct existing macroeconomic disequilibria derived from the intense crisis of over-accumulation the Spanish productive structure was by then undergoing. The Socialist administration held to the belief that, in order to fully consolidate the newly implemented democratic regime, social transformation had to fully respect not only existing capitalist relations of production but also the privileged role Spanish capital had enjoyed so far in dictating economic policy’s main guidelines (Etxezarreta 1991). To that extent, securing Spain’s accession to the European Community (EC) was to be the government’s main priority which, in turn, placed the requirement of gaining international competitiveness center stage (Montes 1993).

The government, however, exposed a restricted understanding of international competitiveness insofar as the latter was unilaterally equated with price-competitiveness (thus discarding the possibility of competing in terms of product quality and/or productive diversification) which, in turn, configured wages prominently as a production cost to be contained, rather than as primary source of internal demand (Recio and Roca 1998). It thus followed that, among the several macroeconomic disequilibria to be confronted, stabilizing inflation, the exchange rate and balance of payments’ disequilibria, would take priority over restoring economic growth and previous employment levels (Etxezarreta 1991). Exposing a strong belief in supply-side explanations dominant at the time, the recovery of profit

margins at the expense of labor costs and conditions was to be the government's foremost concern (Albarracín 1991).

In this context, a harsh and socially regressive adjustment program, firmly based upon monetarist principles, was implemented immediately after getting into office,[34] with measures including a sharp devaluation of the *peseta* in 1982; an increase in fiscal revenues, mostly through an increase in indirect taxation; stringent monetary policies; and social concertation strategies with unions directed at submitting wage increases below expected levels of inflation (which, in turn, were systematically lower than the actual levels eventually experienced); together with an 'Industrial Reconversion' plan which, with the help of copious public funds, aimed at restructuring Spanish manufacturing in the expectation that it could, eventually, compete successfully according to new international standards (Gómez Uranga 1991).

By 1986, the policies implemented were successful in both curbing down inflation levels and correcting balance of payments' disequilibria, while the indiscriminate attack on labor conditions managed to reduce the wage share in 4 percentage points during those years (González i Calvet 1991 : 186). As a result, Spain could successfully join the EC by January 1986.[35] However, recovering profits had been mostly used to rationalize affected firms' existing productive structures and/or to alleviate their respective financial leverage, while, moreover, the investments actually undertaken were

[34] It has been widely noted how the stringency with which 'monetarist' policy principles were adopted was somehow at odds with the party's social-democratic stance. In this respect, while Recio and Roca (1998 : 140) point out how the Mitterrand administration's previous failure in implementing an expansionary Keynesian program in France, as well as the need to avoid capital flight, reinforced such policy decisions, Juste (2017) underlines instead the common ideological milieux, linked to the Bank of Spain, from which PSOE's policy makers mostly came from.

[35] Montes (1993) has pointed out how the government's willingness to secure accession to the EC at all costs greatly undermined its capacity to negotiate an agreement of accession beneficial to Spanish interests.

driven towards further restricting their labor needs (Albarracín 1991). As a result, unemployment affected more than 20% of the active population in 1986, and economic growth was barely resumed (Hernández Marco 2012).

In retrospect, it seems clear that the institutional changes undertaken during those years were indissolubly paving the way towards the construction of a Liberal SSA in Spanish territory. In order to apprehend the true magnitude of the social transformations in course, two areas deserve special consideration, namely, the restructuring of Spanish capital, on the one hand, and the disarticulation of organized labor, on the other. In a nutshell, an adjustment to the new competitive scenario derived from European integration required, on the one hand, the dismantling of an industrial sector affected by serious over-capacity problems, energetic dependency and technological backwardness and, on the other, restraining labor’s capacity to undo price stability trough ‘undisciplined’ wage demands. Abandoning industrial development altogether significantly reduced the scope Spanish capitalism had to generate a material surplus to be then distributed among competing social groups, thus accentuating the antagonistic character of the ensuing institutional assemblage. Moreover, by relocating to economic sectors significantly protected from international competition, Spanish capital was enabled to systematically transfer experienced cost increases into prices, giving rise to pervasive inflationary pressures which only a sustained attack on labor remunerations could successfully attenuate.

Regarding the process of economic restructuring, the state helped Spanish capital to relocate itself from industrial activities to other sectors highly protected from international competition, namely, utilities, construction, telecommunications and finance. On the one hand, through sponsoring an ‘Industrial Reconversion’ plan, the state actively intervened in those sectors most hardly affected by the onset

of the crisis (e.g. steel production, shipbuilding) by facilitating massive lay-offs and by nationalizing bankrupt firms. Lacking an alternative industrial policy, the various firms nationalized mostly ended up being sold to transnational groups aiming at both securing positions in the internal market and acquiring control of their distribution networks (Etxezarreta 1991). While the state facilitated international capital's penetration into Spanish manufacturing, the opposite was the case in the energy, oil, telecommunication and banking sectors, where Spanish capital sought to relocate itself. Through a process of 'protected liberalization' the state undertook a gradual process of nationalization of selected firms, contributed to limit sectorial competition and, then, proceeded to a piecemeal privatization of those firms so as to ensure that already-existing Spanish firms and financial conglomerates could successfully take dominant positions in those sectors (Etchemendy 2004). This policy attempted to create so-called 'national champions' in these areas by ensuring they secured high levels of both concentration and capitalization before facing open competition in international markets (Juste 2017). Moreover, the decision of relocating itself to those economic sectors can under no circumstances be considered an arbitrary move on the side of Spanish capital. Quite on the contrary, by shifting its activity patterns prominently towards non-tradable sectors, Spanish capital not only attempted to avoid having to face intensified competition within the EC while starting from a markedly subordinate competitive position, but also to establish itself in economic sectors where having close ties with State officials was to be more important in securing high levels of activity than responding to market constrains, and where long-term demand was deemed to be much more stable (Recio 2009).

In light of these moves by Spanish capital, disarticulating organized labor appeared as a necessary condition not only to transfer to labor conditions the cost of adjustment implied by the

aforementioned industrial restructuring process, but also in terms of preventing future wage increases from undoing firms’ future competitive position within the European arena. A variety of policy measures and institutional changes were introduced in that respect. Firstly, the adoption of high interest rates derived from the implementation of strict monetary policies, instead of other alternative measures directed towards securing higher levels of employment, served to reinforce the disciplinary mechanisms of mass unemployment upon the working class. Moreover, orchestrating social concertation strategies directed towards keeping wage increases not only below actual rates of inflation, but also lower than annual productivity increases, served to systematically skew the income distribution in favor of capital, in turn disempowering the working classes through and through by negatively affecting the material grounds upon which the former could have confronted the dominant policy guidelines.

Secondly, a legislative modification of the Workers’ Statute [*Estatuto de los Trabajadores*] was passed in 1984 which, under the presumption that high unemployment levels were but a by-product of existing institutional rigidities in the labor market, gave employers the possibility of signing fixed-term contracts without explicit justification. Initially aimed at improving employment levels in the short-terms, the reform ended up consolidating the recourse to temporary contracts as Spanish firms’ preferred mechanism of adjustment to market fluctuations and, implicitly, as a weapon to further fragment the working class (Toharia et al. 2005).

Thirdly, these years saw the consolidation of a strong ‘underground’ sector as it kept absorbing part of the labor contingents made redundant in manufacturing during the years of widespread industrial shutdowns, turning itself into a structural trait of the upcoming SSA in the guise of a markedly dual both labor market and productive structure, insofar as ‘the process of industrial restructuring

had, in short, provided a fresh supply of low-wage labor to Spain's small capitals and on the basis of flexible work contracts, competing to supply to larger, foreign-owned capitals engaged in production in geographical proximity' (Charnock, Purcell, and Ribera-Fumaz 2014 : 61). In sum, various strategies to contain labor costs were deployed, a fully coherent move insofar as the dismantling of the manufacturing sector in conjunction with the new competitive scenario derived from European integration left labor costs as the only variable upon which economic policy could successfully intervene upon in order to maintain international competitiveness.

By 1986, coinciding with Spain's entry into the EC, a new period of economic growth was initiated for the first time since the onset of the crisis. By that time, both inflation rates and balance of payments' deficits had been severely curtailed, and certain key industrial sectors' competitiveness capacities had been significantly improved after years of painful restructuring (López and Rodríguez 2010 : 161). Animated by the effects of trade liberalization, internal demand experienced a strong upsurge, in turn forcing an increase in imports, mostly driven by the thrust of final consumption goods, much greater than the rate of growth experienced by exports, a situation that would apparently call for a gradual devaluation of the *peseta* in order to prevent balance of payments' disequilibria from undoing the whole institutional assemblage (Montes 1993 : 95). However, while inflationary pressures were moderately low during 1986 and 1987, they appeared again in 1988, a time by which social concertation with unions had definitely unraveled (a general strike being called by the two main union confederations that same year). In order both to control inflation levels and to curb down trade unions' institutional power, the government decided to maintain high interest rates and an over-valued *peseta.* Such policy decisions, in turn, were crucial to keep on attracting external funds with which to fund soaring current account deficits.

Despite its internal contradictions, this policy of maintaining high interest rates reinforced the pattern of restructuring that was to become finally consolidated in the next period of growth. An over-valuated currency could not but forever foreclose the possibility of developing a competitive industrial sector in the sein of the EC, in turn further promoting a shift of available financial resources towards both non-tradable sectors and consumer credit. Such transfer of resources, in turn, accentuated inflationary pressures within the Spanish economy, as sheltered sectors could successfully translate cost increases into higher market prices (Pérez 1999). Moreover, high interest rates served not only to attract long-term FDI flows directed towards acquiring strategic positions the in the manufacturing sector, but also intense short-term speculative flows which, besides accentuating inflationary dynamics, served to cover for rising current account deficits. These latter flows supported the emergence of an asset-price bubble in the real estate sector which, in a country featuring markedly high rates of home ownership, enabled increasing indebtedness among the population by using the latter as collaterals (Naredo 1996). Once these funds are partly diverted to finance increasing consumption patterns, self-reinforcing dynamics appear which allow consumption demand to be further pushed forward through strictly financial mechanisms, that is, without support from enlarging productive capacities. These ‘atypical’ means to sustain internal demand growth, which will be explored at length in the rest of this chapter, will constitute the very kernel of the upcoming Spanish SSA’s path of diachronic development.

The growth period initiated in 1986 was relatively short-lived, as growth rates started to recede by 1989, a year when macroeconomic disequilibria became more acute and the real estate bubble started to deflate. However, high levels of public investment in infrastructures animated by the funds received from the EC, in conjunction with the increase in public spending during those years derived from the

organization in 1992 of the Olympic Games in Barcelona, on the one hand, and the World Exposition in Seville, on the other, extended the growth-phase until that year. An intense recession finally ensued between 1992-94, characterized by skyrocketing unemployment and three successive devaluations of the peseta, the institutional bases of the next period of economic growth, however fragile and self-defeating, were already lay bare. On the one hand, the relocation of Spanish capital towards sheltered sectors, such as telecommunications, oil and energy, had already been accomplished. On the other, organized labor was no longer in a position to effectively revert its markedly subordinate position.

8.2. THE 'SPANISH MIRACLE'. 1995-2007.

As seen above, the 'exploration' phase between 1986-91 ended with a short-lived, but nonetheless very intense, recession. When a timid recovery was initiated in 1994, future prospects were definitely bleak. Several reasons made the future look like a quite worrisome scenario in terms of expected future macroeconomic performance. The sharp deindustrialization process undertaken during the 1980s, where big capital sought refuge in sectors such as construction, utilities, and energy production, much less exposed to international competition and where a sustained demand to their respective production was more dependent upon conserving close ties with high-ranked State officials than upon underlying competitive capacities, offered little sources of competitive production to international standards (Recio 2009). This movement, while highly profitable from the perspective of the various capital units there seeking self-valorization, was highly unlikely to be capable to initiate a new accumulation cycle. This problem was further aggravated by the signature of the Maastricht Treaty in 1992, which aimed at paving the way for future monetary integration among EU members. Firstly, by establishing the exchange rate among the

peseta and remaining currencies of the European Monetary System at a fixed rate, it foreclosed the possibility of devaluating the national currency in case of future recessionary periods. Moreover, the ‘criteria of convergence’ imposed among participating countries to be able to enter the Monetary Union, especially the restrictions placed upon public finances in terms of both public deficit (which should not exceed the 3% each fiscal year) and the proportion of public debt to GDP (whose limit was set at 60% of GDP), left the public sector with little capacity to condition the process of capital relocation along socially progressive lines and/or to stimulate aggregate demand with fiscal stimuli. In sum, Spain was in the process of entering a wider economic area affected by significant productivity differentials and heterogenous productive structures, with little capacity to compete in terms of industrial production, and with the possibility to have recourse to recurrent monetary devaluations in order to offset increasing productivity differentials forever foreclosed. In the absence of protectionist measures, internal devaluation strategies (prominently, wage repression) were thus left as the only possible source of macroeconomic adjustment.

What needs to be accounted for is how it was possible to obtain such impressive macroeconomic results (in terms of, for instance, employment, consumption, and aggregate production growth) despite being built upon such weak and worrisome foundations. In this sense, the full consolidation of a Liberal SSA, along the lines already explored during the 1986-91 years, was crucial, albeit perhaps inadvertently at the time, to social reproduction requirements. A markedly dual productive structure, where big capital, who had successfully relocated its activity to sectors featuring either limited competitive pressures or to chiefly financial activities, coexisted with myriad SMEs poorly technologically endowed and too dependent upon cost containment strategies to be price-competitive, crucially needed a Liberal SSA that could ensure capital’s dominance over

other social groups, so that widespread wage containment could be counted upon to compensate for worsening productivity differentials with respect to other EMU members. This strategy could have been coherent, considering underlying technological deficiencies, with an export-led growth path. However, the utterly paradoxical character of the growth path actually followed resides not so much in the impressive boost of economic activity, as reflected in conventional indicators such as GDP and/or employment growth, but in the fact that the most vigorous component of aggregate demand were not exports but internal demand, within which, moreover, private aggregate investment stood as its most dynamic element.

How could a Liberal SSA, plagued with internal disequilibria and thoroughly dependent upon internal devaluation strategies achieve, firstly, such economic vitality over more than a decade while, secondly, positioning internal demand as the main driver of economic growth where, thirdly, investment became the most dynamic component despite virtually irrelevant increases in labor productivity throughout the whole expansion phase? The answer is to be sought, we contend, in the very idiosyncratic way in which underlying valorization problems gave way to several social process which, despite indelibly showing a highly contradictory character when considered in isolation, did nevertheless manage to offer each other support in such a way that their joint occurrence was reinforced over time. In sum, it made somehow virtue out of necessity. The truly tragic dimension of the ensuing Spanish model lies in the fact that such internal disequilibria, whose respective manifestations managed to coalesce into a relatively coherent whole for more than a decade, did not attenuate their intrinsically contradictory character by partaking of the latter but, on the contrary, saw it increasingly exacerbated in the course of its operation. Before examining the way in which social reproduction was secured in Spain during the years

1995-2007, it is first necessary to outline the broad institutional underpinnings of the Spanish model.

8.3. THE INSTITUTIONAL UNDERPINNINGS OF THE SPANISH MODEL.

In order to analyze the institutional contours of the Spanish 'Mediterranean' Liberal SSA, we will analyze separately the strictly productive sphere, in the sense of being directly implicated in the capitalist valorization process, on the one hand, and the reproductive sphere, where most activities directly involved in securing living conditions are undertaken, on the other. It must be noted that this division between spheres serves merely heuristic purposes, for no strict line of demarcation can ever be established between the two. Regarding the former, we will focus upon the internal structure of Spanish capital, the way capital-labor relations have been institutionalized, and the role the state has played in securing profit-making activity. Regarding the latter, we will focus upon the institutional configuration of the welfare state and the socioeconomic configuration of the family institution.

8.3.1. The Productive Sphere.

The internal structure of Spanish capital constitutes a highly polarized configuration. As noted above, big capital underwent an intense process of productive relocation in the course of the 1980s and 1990s, abandoning their previous prominent positions within national industry and shifting themselves, by help of successive rounds of privatization of previously publicly-owned enterprises during the 1990s, to the financial sector and other productive sectors very protected from international competition and heavily dependent upon developing close links with the State apparatus to ensure a continuous demand for their products. Through this reconversion of their activity

patterns, Spanish big capital acquired prominent positions in sectors such as 'banking, construction, utilities and public services, retailing and hotels' (Charnock, Purcell, and Ribera-Fumaz 2014 : 76). On the one hand, it acquired a degree of concentration high enough to be able to compete successfully in world markets, in turn acquiring new productive positions abroad, especially in Latin America. On the other hand, these areas of activity heavily determined the path of productive specialization underwent by the Spanish economy, heavily concentrated in construction activities and tourism, as well as financial activities. The various synergies emerging between these three sectors account to a great extent for the macroeconomic soundness of the expansion-phase ending in 2007, as well as for the singular virulence shown by its ulterior decay. Concerned with securing dominant positions within their respective sectors, their business activity mainly revolved around seeking rents from their close links with the state apparatus (Juste 2017). As summarized by Banyuls et al. (2009 : 250):

> 'Despite some of these being big users of technology, they do not create enough spill-over to the economy as a whole. Part of their business is more devoted to developing fluid relations with public administrators (partly explaining the successful position of these firms in Latin America) and to safeguarding their oligopolistic positions. In addition, the new liberal environment has strengthened opportunities to make large profits in sectors that do not need intensive technological innovation, like real estate, building and tourism'.

Considering the preponderant role Spanish economic elites have played in dictating public policy decisions, it should come as no surprise the extent to which this marked specialization in the mutually reinforcing binomial construction-tourism led both to the

reinforcement of internal devaluation strategies and to the massive proliferation of low-quality jobs in the service sector.

Besides these few big firms, the Spanish productive structure encounters myriad SMEs, characterized by low technological endowments, too dependent upon cost containment (crucially, wage costs) strategies in order to offset productivity differentials, and too-accustomed to external flexibility practices (prominently, through the indiscriminate proliferation of fixed-term contracts) as their preferred means of adjustment to market fluctuations: ‘Spanish industrial production has continued to be concentrated in a mass of small capitals whose development is either restricted to the scale required for local markets or is dependent upon their ability to survive in competitive, geographically concentrated markets to supply mostly foreign-owned normal capitals with goods of low-technological content’ (Charnock, Purcell, and Ribera-Fumaz 2014 : 70)

In sum, this dual productive structure where, on the one hand, big capital sought refuge in sectors where technological imperatives were less damaging to their respective aspirations of continuing fostering rent-seeking practices and, on the other, numerous small firms whose competitive strategies were almost univocally directed towards ensuring widespread cost containment, was in a very difficult position to generate a surplus to be then distributed among competing social groups. This situation was reflected in the general inability of the ensuing Spanish model to consistently improve labor productivity through the upward-phase of the cycle, thus leaving extensive growth as the only development strategy available, that is, a model where absolute rather than relative surplus-value extraction held the key to its diachronic expansion.

Having positioned labor income as the only cost component whose systematic repression was susceptible of promoting sustained competitivity gains (or, at least, to attenuate growing productivity differentials), heavily antagonistic labor relations emerged as its

necessary corollary. Labor-relations have featured all through the expansion-phase a marked dualism, where high levels of protection offered to core workers, generally corresponding to the 'male breadwinner', were matched by very high levels of precariousness to those populating its external layers, mostly women, young and immigrant workers. The impressive employment growth between 1995 and 2007 was closely affected by the ongoing productive specialization in low-productivity, low-wage sectors, chiefly construction and unqualified services (i.e. retail, hostelry, domestic services). These sectors, where the Spanish economy had furthered its productive specialization, feature characteristics such as high seasonality, low employment security, very low union density, and long and irregular time-schedules, being heavily dependent upon 'atypical' forms of employment, prominently fixed-term contracts, but also other modalities such as involuntary part-time arrangements (Carrasco and Recio 2001; Ruiz-Gálvez and Vicent 2018).

Since the 1980s, successive labor reforms have been systematically oriented towards furthering labor deregulation, being attuned with capital's urge to contain wage increases in order to counteract underlying valorization problems. In this sense, what some authors have termed a 'culture of temporality' (Toharia et al. 2005) had definitely much less to do with an alleged socio-cultural trait of Spanish society than with a rudimentary form of workers' control widely at employers' disposal. It is significant nonetheless that, during more than a decade of uninterrupted employment growth, the rate of temporary contract has remained fairly constant, affecting almost a third of the whole wage-employed population. This shows the extent to which temporary contracts were not an anomalous malfunction of the Spanish labor market but, on the contrary, one of its key structural traits, fully coherent with Spanish capital's productive specialization.

These dynamics of intense creation of atypical forms employment are consistent with Spain featuring throughout the period one of the

lowest union-densities of the European Union. Precisely, those sectors of activity featuring lower-than-average union membership have yielded better results in terms of net employment creation, while concentrating as well as the most pervasive forms of precarious labor arrangements (strongly motivated as well both by the average size of firms operating in those sectors and by intrinsic attributes of the tasks demanded).

Linked to this sharp dualization of the workforce in terms of job protection, a very polarized workforce regarding educational attainment found itself in growing contradiction with a productive model experiencing notable difficulties to generate jobs fitting those qualifications. While Spain has featured a very high proportion of workers having some sort of tertiary education degree, it has equally championed European rankings in terms of early dropping from school (Karamessini 2008b), the latter being heavily influenced by the available employment opportunities, especially, in the construction sector and tourism-related activities. While the spread of tertiary education certificates played a key role in preserving middle-class aspirations of upward social mobility, this contradiction was bound to explode as soon as widespread asset revaluation dynamics stopped disguising the relentless precarization of the younger layers of the workforce.

8.3.2. The Reproductive Sphere.

In relation to those various activities crucial for attaining successful social reproduction, which are nonetheless unmediated by market mechanisms, two different spheres deserve special consideration, namely, the configuration of welfare state mechanisms and the family institution. As noted in the previous chapter, the Spanish social formation shares many similarities with other Mediterranean countries regarding the mode of integration of labor

markets, Welfare State mechanisms and families in securing social reproduction, thus meriting being grouped within a common category (Ferrera 1996; Moreno 2000; Karamessini 2008a). Overall, the Spanish welfare state shows a mix of quasi-universalist components (such as health and education) and others of markedly corporatist inspiration (such as contributory pensions, or social insurance schemes matching labor market segmentation), thus constituting a sort of 'via media' between Beveridgean/universalist and corporatist/continental traditions (Moreno 2001).

Developed during the 1980s, when the neoliberal tide was in the course of flooding Europe for the decades to come, the process of convergence with European trends in social spending came to a sudden halt with the implementation of the Maastricht criteria. While the 1992-4 crisis called for a strong upsurge in social spending in order to contain social conflict due to soaring unemployment levels (Rodriguez-Cabrero 2011), the electoral victory in 1996 of the *Partido Popular* (PP) marked a shift towards reinforcing its 'Liberal' side, as reflected in the privatization of certain public sector services and a higher emphasis upon 'activation' policies as a response to perceived malfunctions in the Spanish Labor Market (Guillén 2010). During the whole expansion-phase, economic growth was not used to improve social expenditures relative to GDP levels, thus remaining one of the welfare states with lower redistributive capacity among EU members all through the period (Buendía, Molero-Simarro, and Murillo 2018). Moreover, this low effort in social expenditure was compounded by a territorially fragmented public safety net, which provides means-tested benefits for low-income claimants, while the contributory principle reproduces labor market inequalities in the distribution of cash-benefits for those with some employment record (Arriba and Moreno 2005). In the end, the only element which yields some degree of internal coherence to this uneven configuration of Welfare State intervention is the Spanish family, which compensates for the

numerous lacunae in the welfare architecture while also attenuating the social consequences of a sharp labor market dualism between ‘core’ workers and the rest. Therein lies the strictly ‘Mediterranean’ specificity of the Spanish Welfare Regime.

Spanish families played a crucial role in helping attenuate the worst social effects of a very dual labor market that delivered very high levels of precariousness to all but the core workers, in conjunction with a social protection system that highly mimicked the former’s dualisms. Intense intra-familial transfers marked by strong intergenerational solidarity constitute the family as a primary ‘shock absorber’, where relatively strong protection offered to the ‘male breadwinner’ in conjunction with low-to-moderate old-age pensions served to attenuate the worst effects of the modality of labor inclusion predominantly offered to women and the young, in turn attenuating antagonistic dynamics in the productive sphere. Family units redistribute internally the various resources its members manage to obtain, from male-breadwinner wages to old-age pensions, thus operating as a ‘synthesis of breadcrumbs’ (Trifiletti 1999). In the words of Saraceno (1995 : 279-80), ‘what is assumed is not the figure of breadwinner but family solidarity -including kin- and the primary responsibility of women -married and mothers- in the provision of care’.

Moreover, exiguous commodification of care services together with very timid public efforts to unburden women of care responsibilities continued to deliver a situation of ‘implicit familialism’ (Leitner 2003) where families are forced to undertake numerous care responsibilities not necessarily out of will but of sheer necessity. In this sense, the ultimate pillar of the model were the ‘Spanish Super-women’ (Moreno 2004) who, forced by stagnating wages to enter paid employment, found themselves in growing difficulties throughout the period to fulfill the functions that a very asymmetric division of domestic labor kept on assigning to them

(Gálvez, Rodríguez-Modroño, and Domínguez-Serrano 2011). Despite the resilience of traditional gender relations, the still great influence of the Catholic Church among all social strata, or a dual labor market that systematically discriminates against women, factors which all contribute to reinforce the family as the main social unit regarding care provision, ongoing cultural transformations in conjunction with a changing economic environment had contributed to the erosion of the ultimate pillar sustaining both economic performance and social consensuses. A notable landmark in this respect was the passing of the so-called 'Dependency Law', which aimed at de-privatizing care responsibilities by establishing a public system of formal care provisions. However, despite its ambitious intentions, its initial implementation was all-too-soon met by the systemic crisis initiated in 2008, thus leaving its good intentions without the necessary budgetary support. Moreover, by having excessive resort to cash-transfers instead of establishing an actual public system of care provision, traditional gender norms are reinforced as well as the prominence of family-based care provision (Gálvez 2016).

8.4. THE ROAD TO SUCCESS. MUTUALLY SUSTAINING CONTRADICTORY TRENDS.

Once the institutional contours of the Spanish social formation between the years 1995 and 2008 have been delineated, an explanation is due of how, despite being built upon such seemingly fragile foundations, it did manage nonetheless to become the envy of its European neighbor countries regarding its macroeconomic performance. In our view, its sound economic performance during those years cannot be understood to have occurred in spite of the various internal disequilibria it did harbor. On the very contrary, it is precisely the proliferation of contradictory dynamics within itself that which accounts for its apparent and temporary successes. To a great

extent inadvertently, at least from the narrow perspective of orthodox economics, various social processes were operating at the time which, despite showing a markedly contradictory character when considered in isolation, did manage nonetheless to offer support to each other during more than a decade in such a manner that their simultaneous occurrence secured their individual reproduction. That is, relations of complementarity and mutual reinforcement did definitely emerge between some of its key institutional blocks, although the mutual support offered to each other did not serve to attenuate, much less to erase, their contradictory character. Quite on the contrary, internal contradictions were further aggravated in the course of the whole phase of expansion, driving the whole social formation towards an inevitable internal implosion. The extent to which these various internal disequilibria were obliterated in virtually all conventional narratives of the ‘Spanish Miracle’ is quite revelatory of how narrow the lenses of mainstream economics ultimately are. The widespread social euphoria lived at the time seems to have been a subtle indication of the depressing social scenario that was to come.

These institutional mechanisms governing economic expansion between 1995 and 2007 closely resemble those referred to as ‘Asset-price Keynesianism’ (Brenner 2006) or ‘Privatized Keynesianism’ (Crouch 2009). Common aspects include the centrality of asset-bubbles in assembling together the various elements of the institutional structure, as well as the relevance played by debt-financed private consumption in sustaining aggregate demand. However, the scale of the housing bubble, its spread over the social body, or the role played by the family in attenuating its most devastating effects must be accounted as idiosyncratic features of the Spanish experience. Among these contradictory trends, three of them are singled out due to its higher relevance in relation to the reproduction of the institutional edifice, namely, an increasingly distorted accumulation process, a massive housing bubble, an

explosion of private debt in face of stagnating wages, and an over-burdened family. Each will be analyzed in turn.

8.4.1 An Increasingly Distorted Accumulation Process.

The fate of the Spanish capitalist accumulation process during the whole period under consideration has been paradoxical, if not tragic. As noted in previous chapters, one of the structural features of Liberal SSAs is that they tend to yield lower levels of capital accumulation than their Regulated counterparts, as a result, on the one hand, of the aggressive type of competition among capital units that Liberal SSAs tend to foster and, on the other, of the higher degree of relative autonomy financial capital enjoys of. While investment activity has been the component of aggregate demand showing a more vigorous behavior through the whole expansion phase, labor productivity has shown a flat evolution during the whole period. According to orthodox views on private investment activity, one would expect that such impressive levels of capitalization would be followed by an upward evolution of labor productivity indicators. Moreover, as shown by Mateo (2017b), the profit rate has shown a markedly downward trend between 1995 and 2007.[36] How was it possible, therefore, that such an intense investment activity during more than a decade did not manage to increase neither average labor productivity nor the profit rate? What elements were ultimately driving investment in the absence of a marked improvement in underlying profitability trends? The answer is to be found in the emergence of a housing bubble of massive proportions, which managed to constitute itself as the very central node around which the whole institutional architecture was articulated (López and Rodríguez 2010).

[36] Mateo (2017a) offers various alternative measures of the profit rate in the Spanish economy since 1995. Despite their internal differences, all of them invariably show a continuous decline in profitability during the whole expansion phase.

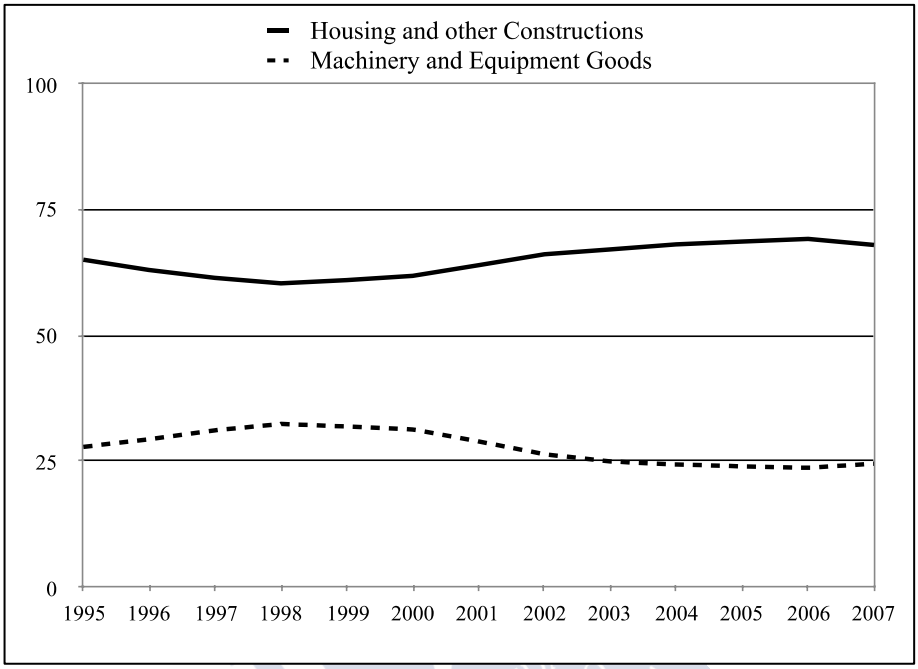

Figure 8.1. Gross Fixed Capital Formation by Type of Asset: 'Housing and other constructions' and 'Machinery and Equipment Goods', as a percentage of the total, at current prices. Source: Spanish National Institute of Statistics.

Most of those investments were actually driven by asset-revaluation dynamics whose origins are to be found in the housing market. Breaking up data on Gross Fixed Capital Formation (GFCF) by type of asset, it is quite straightforward to observe that most of those investment expenditures found their underlying rationale not in the drive to make a more productive use of labor inputs but in the expectation of obtaining future rents in the midst of a process of widespread revaluation. As shown in Figure 8.1 above, around two thirds of actual investment expenditures consisted of dwellings and other related constructions, while just about a quarter of it corresponded to investment in new machinery. If, instead, one focuses upon the economic sector undertaking those expenditures, it can be readily observed that the Construction and Real Estate Activities

sectors undertook an increasing share of investment activity throughout the cycle, reaching almost half of total investment in 2007, the last year of economic expansion (see Figure 8.2).

Once these trends are considered, the apparent puzzle between aggregate investment, profitability and labor productivity shows itself to be a rather spurious one. While the productive structure of Spanish capital was already quite imbalanced at the beginning of the cycle, too-leaned towards non-tradeables and manufactures of medium--to-low technological composition, the growth path followed the Spanish economy in the upcoming decade could not but reinforce those productive deficiencies, in turn enlarging the 'competitiveness gap' relative to the European 'core'.

In the end, construction-related investments, especially when they are driven almost exclusively by speculative dynamics, do not partake of the Marxist definition of capital accumulation, for they do not intervene in the labor process by developing the productive forces, and thus permitting a more productive use of existing labor inputs (Mateo 2014). However, it did nonetheless have a preeminent influence over other economic sectors as the real estate complex, however overdeveloped, did have a very strong knock-on effect upon other economic sectors (Mateo and Montanyà 2018).

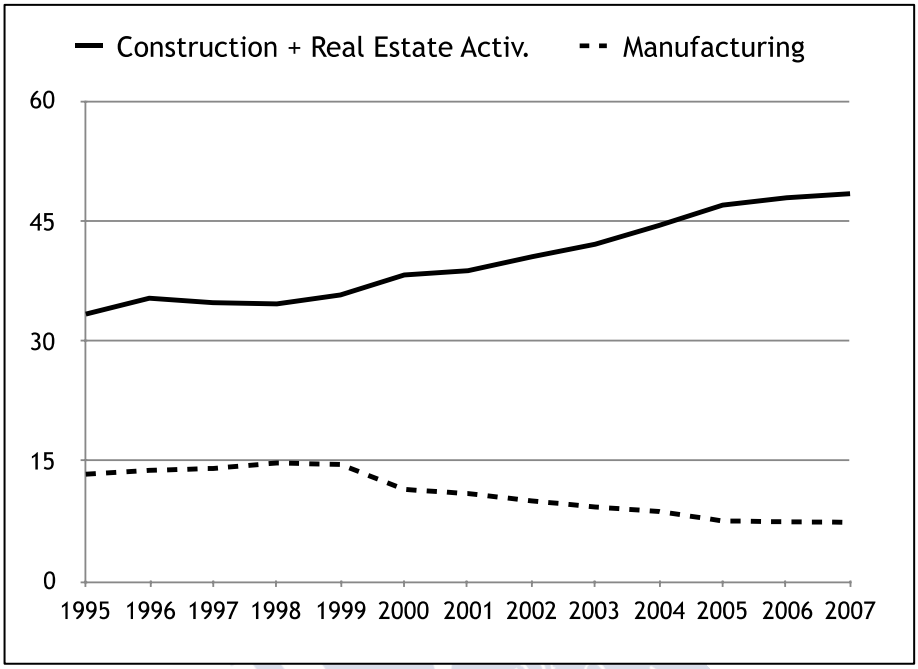

Figure 8.2. Gross Fixed Capital Formation by Sector of Activity: ‘Construction and Real Estate Activities’ and ‘Manufacturing’, as a percentage of the total, at current prices. Source: Spanish National Institute of Statistics.

Moreover, beyond the sectorial shift from agriculture and manufacturing, where better possibilities exist for generating economic surpluses to be then distributed among the population, to low-quality services and the real estate complex, important internal malfunctions affected as well the composition of productive investment itself (Buendía 2018). As noted by Álvarez et al. (2013 : 95-100), Spain’s production of manufactures with high technological content was not only well below the EU average during the whole period, but also decreasing through and through. It thus follows that the markedly antagonistic character of Spanish capitalism, as manifested in its utter incapacity to barely increase hourly real wages through the whole expansion phase, was ultimately grounded upon underlying productive deficiencies. Lacking the necessary means to

systematically produce an economic surplus to be then redistributed among various social groups, eroding profitability placed distributive struggles at the very core of capital's strategies of survival (Nieto 2006), especially so during the second half of the upward cycle due to the declining trend of the productivity of capital. Nonetheless, this was absolutely no impediment for Spanish economic elites to profit heavily from non-orthodox processes of valorization.

Spain's productive underdevelopment relative to the European 'core' in conjunction with European Monetary Union membership constituted another core contradiction the Spanish SSA had to deal with, as the possibility of introducing either competitive currency devaluations (the means through which international trade imbalances had traditionally been dealt with in recent Spanish history) or trade restrictions in the form of tariffs and/or import quotas was forbidden from the start. On the one hand, the ensuing 'competitiveness gap' could not but further reinforce Spain's 'peripheral' productive specialization. On the other, current account deficits, driven to a great extent by the strength of internal demand throughout the whole decade, found their mirror-like image in Germany's increasing current account surpluses, an explosive dynamic starkly accentuated since 2001. However, despite this having reinforced the internal evolution of a distorted capitalist accumulation process, whose deleterious effects were to be openly manifested after the start of the Great Recession, the incoming funds, which served to cover for increasing trade deficits, were ultimately functional to ongoing socioeconomic reproduction, as they did play a crucial role in feeding a massive housing bubble well beyond existing financial resources within the Spanish territory (Fernández and García 2018). The explosive evolution of housing prices represents the ultimate anchoring point of the whole institutional assemblage, and crucially underlies the upward trend followed by both private consumption and investment in the years here under consideration.

Spain’s productive specialization in the ‘tourism-construction’ binomial can be traced back to the 1960s, when the first round of Fordist-like industrialization was attempted. Housing production is affected by certain particularities that strongly depart from the typical behavior of regular commodities in capitalist markets. While they can function both as typical consumer goods (where its use-value dimension predominates over its exchange-value) or as an investment outlet (where the opposite is the case), the fact that its price tends to be highly conditioned by existing expectations of future uses and revaluations makes it prone to self-sustained revaluation processes. While the occurrence of a housing bubble is definitely not an idiosyncratic feature of the current period, the last speculative episode in the Spanish housing market has certainly been an unparalleled one in terms of its temporal duration, its social capillarity, and the extent to which it managed to absorb diverse funding sources.

The existence of a self-sustained revalorization process in construction and real estate activities is thrown to light by comparing the diachronic evolution of the deflators of GDP with those related to the construction and real estate activities’ sectors, respectively (see Figure 8.3). In order to account for the severity and intensity of such an outstanding speculative process, merely pointing out the traditional productive specialization of the Spanish economy is definitely not sufficient. Several factors idiosyncratic to the Spanish socioeconomic context ought to be accounted for as well. The scale of the speculative process under consideration is due to the conflation of certain traits that have characterized the Spanish social formation since the early Francoist period with others who were but a matter of historical contingency. We will analyze each in turn.

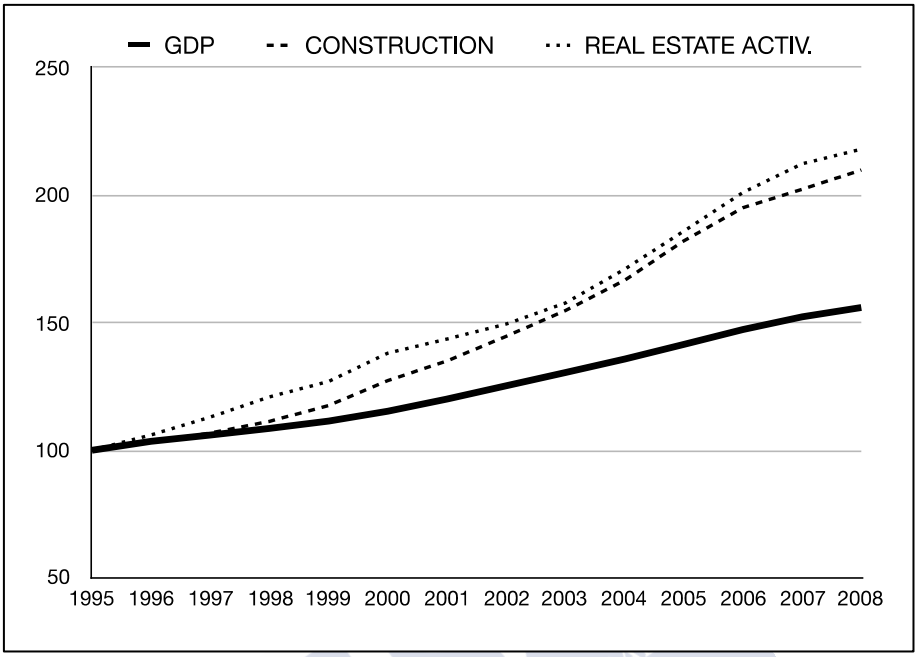

Figure 8.3. Price-deflators of GDP, 'Construction', and 'Real Estate Activities', respectively, 1995-2008. 1995=100. Source: Spanish National Institute of Statistics.

Firstly, ever since the late 1950s home ownership has been actively promoted by every government to date, either right- or left-wing, either dictatorially imposed or democratically elected. Famously, Jose Luis Arrese, former Ministry of Housing under Franco, is said to have stated: 'We want a country of proprietors, not proletarians'. While embellished by the fascist rhetoric dominant at the time, which regarded homeownership as a means to maintaining public order, this Thatcherism *avant la lettre* has articulated Spanish elites' political strategies for almost the last half a century (López and Rodríguez 2011). While rented accommodation was the norm in the 1950s, rates of homeownership have shown an unstoppable upward trend up until the last housing boom, reaching 87% of households in the year 2007. Not only was it successful in preventing recurrent mass mobilizations by linking the latter's fate to the vagaries of the real

estate complex, but it has also been strongly determined by Spanish elites’ tenacity in seeking refuge in housing production in face of economic turbulences of whichever type, thus turning it into, according to Naredo’s (2006 : 267) perspicacious words, Spain’s ‘national industry’. In more recent years, the ‘Boyer decree’ (1985), which introduced policy measures such as income tax-breaks after housing acquisitions, irrespectively of its future use, the removal of both rent controls in the private rented market and urban planning restrictions, or the virtual abandonment of social housing provisioning, could not but reinforce Spanish population’s predilection for home ownership (Coq-Huelva 2013; Pareja-Eastaway and Sánchez-Martínez 2017). In a context of spiraling housing prices in conjunction with successive policy-created incentives to enter the housing market, it should then come as no surprise that demand for further rounds of urbanization was anything but lacking.

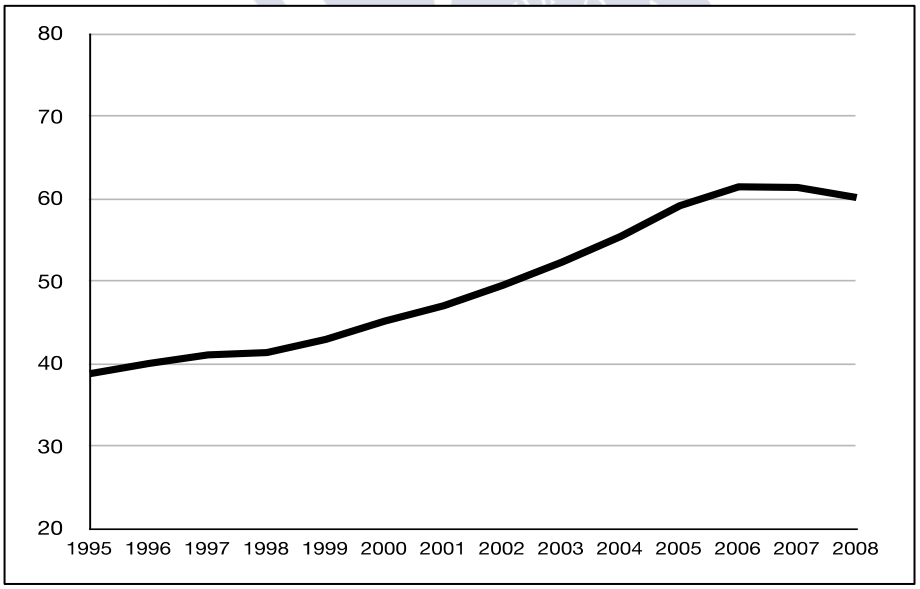

Figure 8.4. Credit lent to the construction as percentage of total credit lent by the financial sector to other sectors, 1995-2008. Sources: Spanish National Institute of Statistics and Bank of Spain.

Secondly, EMU membership played a crucial role in fostering and enhancing speculative dynamics in the Spanish housing market by delivering exceptionally-low interest rates during the whole period, which, together with a generalized scarcity of profitable productive investment outlets, configured the Spanish housing market as one of the most profitable locations in Europe at the time. The role played by the Euro as a 'world currency' (Lapavitsas 2012) meant that not only were national financial resources diverted there in search of rapid valorization, but also helped attract a growing pool of external liquidity, from transnational corporations' profits (Aalbers 2017), to European 'core' countries' current account surpluses (Fernández and García 2018), which found in the Spanish housing market an appropriate outlet for their desired investment opportunities. While previous asset bubbles had always ended when the scarcity national financial resources caused a sudden hike in interest rates, thus preventing further rounds of investment, the adoption of the Euro ensured that available resources were no longer restricted to those belonging to the national territory (Naredo 1996, 2006). Contradicting orthodox economic common sense, between 2002 and 2008 both non-financial firms and the household sector were net borrowers of extra financial resources. Spanish financial capital managed to capture increasing quantities of international monetary resources in order to channel it, in increasing proportion through the whole expansion phase, to the booming construction sector. This overrepresentation of housing related activities within total investment can be easily observed in the proportion of total credit lent to the construction sector, which reached above 60% of the latter during the last years of the cycle (see Figure 8.4).

Thirdly, recent Spanish experience provides a paradigmatic example of the existing trade-off between housing acquisition and welfare state development, identified by Kemeny (1981) long ago, as two alternative means of long-term insurance. Castles and Ferrera

(1996), by using data prior to the start of the housing boom here under consideration, had refined Kemeny’s hypothesis regarding Southern European (i.e. ‘Mediterranean’) Welfare Regimes, by stressing that the true trade-off operating in these countries was rather that between generalized home-ownership and old-age pensions system’s development. On the one hand, both ‘private ownership of housing and the public provision of aged pensions constitute alternative means of horizontal, life-cycle redistribution by which individuals guarantee their security in old age’ while, on the other, they represent ‘simultaneously the two biggest items of expenditure that confront families across the life- cycle’ (Castles and Ferrera 1996 : 164). In the Spanish case, both welfare state underdevelopment and a generalized culture of homeownership have a long history. While the latter had been strongly promoted as a disciplining and moralizing tool in the hands of the Francoist regime, the former has been deeply affected by the timing of its construction, when neoliberal winds were blowing in the opposite direction. In this sense, home ownership has acted as a primitive mechanism of insurance against old-age contingencies, while also acting as an instrument for the intergenerational transmission of wealth (Trifiletti 1999). Building upon cultural path-dependency and a continuing lack of alternatives, spiraling housing prices for more than a decade strongly reinforced Spanish families’ preference for housing acquisition as their preferred mechanism of long-term insurance. Housing became the unacknowledged pillar of the Spanish Welfare architecture, the hidden element which ultimately accounted for its social effectivity. Strong revaluation dynamics, in conjunction with a population distribution skewed towards the elders, permitted accomplishing a relatively rapid shift from the initial universalist aspirations of early Welfare State construction in the 1980s to a typically neoliberal ‘asset-based welfare policy’ with strongly limited redistributive capacities (Di Feliciantonio and Aalbers 2018) without strong social contestation. Moreover, were it not for

this latent complementarity between home ownership inertia and Welfare State underdevelopment, the length of the ensuing housing bubble, the extent of its social penetration, and its capacity to raise aggregate consumption levels, would have been utterly impossible to attain.

Fourthly, the particular way urban planning legislation is promoted in Spain gave way to the emergence of subnational pro-growth coalitions between local and regional politicians, land developers and financial and real estate capital, which Naredo and Montiel (2011) have succinctly termed the 'triple alliance'. Two key elements ought to be pointed out. On the one hand, urban planning decisions are governed by the local authorities of each municipality through the development of Urban Planning General Plans (*Plan General de Ordenación Urbana, PGOU*), which determine the use to be assigned to all land pertaining to the municipality. Crucially, local authorities have the capacity to reclassify the use assigned to each lot, determining whether it is suitable to urbanization or not. On the other, the Land Regime Act of 1998 ('*Ley del Suelo*') turned every land into terrains susceptible of urbanization unless special conditions explicitly justified its protection (Rodríguez-Alonso and Espinoza-Pino 2017 : 39). Against this legislative background, in a context of spiraling housing prices and abundant liquidity sources, doing business was inherently easy provided that one enjoyed the appropriate personal ties for, as noted by Naredo (2006 : 267) 'the real estate business ultimately culminates in adding several zeros to the value of land merely by allowing them to be urbanized, with politicians holding the key to this business'. Given that no special justification had to be offered to shift a given land's use to being now susceptible of urban development; the fact that the ultimate capacity to effect such changes belonged to local authorities; and that huge price increases could be instantaneously generated through this process; coalitions flourished all through Spanish territory between the three types of actor

mentioned above. As a result of this confluence of interests, successive rounds of urbanization were attempted. Moreover, Spanish authorities also benefitted from receiving considerable European funds directed towards building up transport infrastructures (airports, highways, …), partly in exchange for having satisfactorily dismantled the most internationally competitive branches of the Spanish industrial sector (López and Rodríguez 2010 : 163). In sum, these years represented the *glory days* of the real estate complex, where each round of urbanization led to successive ones in what seemed, at the time, a boundless process of further construction and revalorization.

Lastly, the singularly high relevance of the black economy and the informal sectors has played a crucial role as well in sustaining the upward evolution of both housing prices and construction levels. Not only did it favor its widespread construction besides existing legal regulations, but stood as well as a key mechanism to ‘launder back’ the money obtained in those manifold illicit activities (Castles and Ferrera 1996). In sum, a concatenation of various factors is to be held responsible for the length, intensity and social penetration of the last housing boom. While some of them were strictly conjunctural, such as the capacity to raise monetary means well beyond available national resources thanks to EMU membership, some others were inextricably conditioned by the path of development undertaken by the Spanish social formation during last decades, such as the cultural ‘reification’ of housing acquisition as Spanish families’ preferred vehicle of long-term insurance.

This over-representation of housing-related activities within total investment solves one of the apparent paradoxes of the Spanish model. It was noted above how Liberal SSAs possessed several constitutive features which seemed conducive to yield relatively low levels of capital accumulation. However, the category of aggregate demand that has shown a more robust evolution has been precisely aggregate investment. Once the scale of the housing bubble is

considered, it is rendered clear that most of those investment expenditures were ultimately unproductive ones, in the sense that they had not affected the organization of the labor process but were instead driven (almost exclusively) by self-valorization dynamics, thus gradually enlarging the 'competitiveness gap' relative to the European 'core'. Moreover, sustained revalorization of housing asset prices did not only explain the impressive upsurge observed in aggregate private investment but did also underlay the upward trend of aggregate consumption during those same years. While it reinforced an impoverished productive structure increasingly incapable of fostering a more productive use of labor power, which in turn constrained the flat evolution of real wages during those years, it nonetheless permitted Spanish households to increase their consumption levels in line with GDP trends, a process to which we now turn.

8.4.2 Rising Consumption despite Wage Stagnation.

It has just been noted how a growingly distorted capital accumulation process, whose 'low-road' pattern of productive specialization was reinforced through the whole period, conditioned the diachronic evolution of real wage levels throughout the period. Despite having received a massive influx of means of payment potentially susceptible of improving the productive capacities of the Spanish model, internal distortions within the accumulation process placed the distributive struggle between capital and labor at the very core of the former's strategies for economic survival, manifested both in the flat evolution of real wages throughout the period and in the spread of inherently precarious forms of employment.

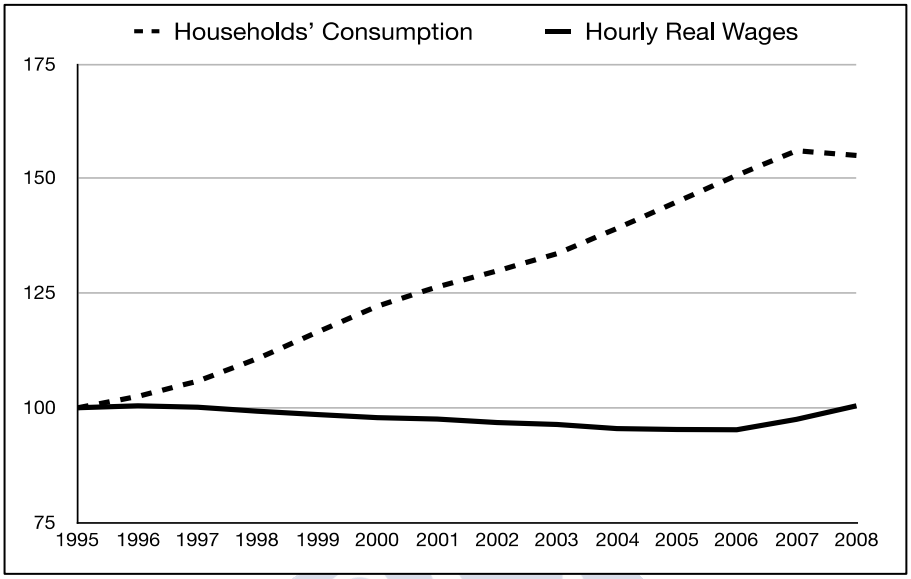

Figure 8.5. Evolution of Households' Aggregate Consumption and Real Hourly Wages, 1995-2008. 1995=100. Source: Spanish National Institute of Statistics.

However, these trends were no impediment for aggregate household consumption levels to rise virtually in line with GDP for these twelve years which was crucial, in turn, to attenuate the inherently antagonistic character of the Spanish model by fostering a generalized acquiescence with the actual configuration of the existing social order. Again, recent Spanish experience defies orthodox economic wisdom in this respect, as more than a decade of soaring private consumption levels managed to coexist with stagnating hourly real wages, as seen in Figure above (see Figure 8.5). How, then, could these two apparently antinomic phenomena be reconciled for such a long time? The answer is to be sought in the way in which the above-mentioned housing bubble allowed for the emergence of certain social trends whose mutual interrelation accounts for the Spanish model's ultimate effectivity.

Firstly, stagnating real wages co-existed with an impressive upsurge of employment of more than 8 million new jobs, which allowed the wage share to remain fairly constant throughout the whole

period (Buendía, Molero-Simarro, and Murillo 2018), in turn helping disguise increasing precarization of labor relations and the temporal strenuousness to which Spanish workers were ultimately submitted to. When analyzing the sectorial distribution of the new employment created, the reinforcement of the productive specialization pattern described above is rendered clear. In absolute terms, a net reduction of agricultural employment was more than offset by net employment creation in both industry and services (see Table 8.1).

SECTOR	Increase 94-07 (Absolute)	Increase 94-07 (Relative)
TOTAL	8369	+ 69,34 %
AGRICULTURE	-205,2	- 18,42 %
INDUSTRY	2295,7	+ 62,45 %
Mining and Quarrying	-0,8	- 1,35 %
Manufacturing	695,2	+ 28,87 %
Elecricity, Gas, Water	21,5	+ 23,55 %
Construction	1579,8	+ 141,41 %
SERVICES	6278,3	+ 86,27 %
Retail Trade	1047,5	+ 50,43 %
Hotels and Restaurants	710,9	+ 96,59 %
Transport and Storage	481,2	+ 68,32 %
Financial Intermediation	183,4	+ 56,89 %
Real Estate	1425,3	+ 229,41 %
Public Administration	469,4	+ 59,98 %
Education	446,3	+ 66,05 %
Health and Social Work	643,8	+ 105,96 %
Community / Social Activities	436,5	+ 103,36 %
Household Activities	433,6	+ 132,64 %

Table 8.1. Employment growth by sector of activity. Unit: Thousands. Source: Spanish National Institute of Statistics.

Regarding the former, almost 75% of net job creation corresponds to the construction sector, bearing witness of capital’s flight away from manufacturing, submitted to increasing competitive pressures throughout the period, towards the oversized real estate complex. Regarding services, where the bulk of new jobs were to be found, the low-road pattern of sectorial specialization is reflected in the impressive employment creation in those sectors most closely linked to tourism (‘Retail Trade’ and ‘Hotels and Restaurants’) as well as in the sector of real estate intermediation. It must be noted that the real estate complex (i.e. ‘Construction’ and ‘Real Estate’ sectors) managed to create more than 3 million new jobs in little more than a decade. In sum, the pattern of sectorial specialization, anchored around the ‘tourism-construction’ binomial, heavily conditioned the expansive pattern of development of the Spanish economy. Centered in productive areas where producing a sustained surplus is an inherently troublesome task, the antagonistic character of Spanish capitalism emerged as its necessary corollary. Moreover, intense employment creation was accompanied by an equally strong upsurge in activity rates, many of them previously inactive women who were partially forced by stagnating wages to enter paid employment in order to supplement family incomes (see Figure 8.6).

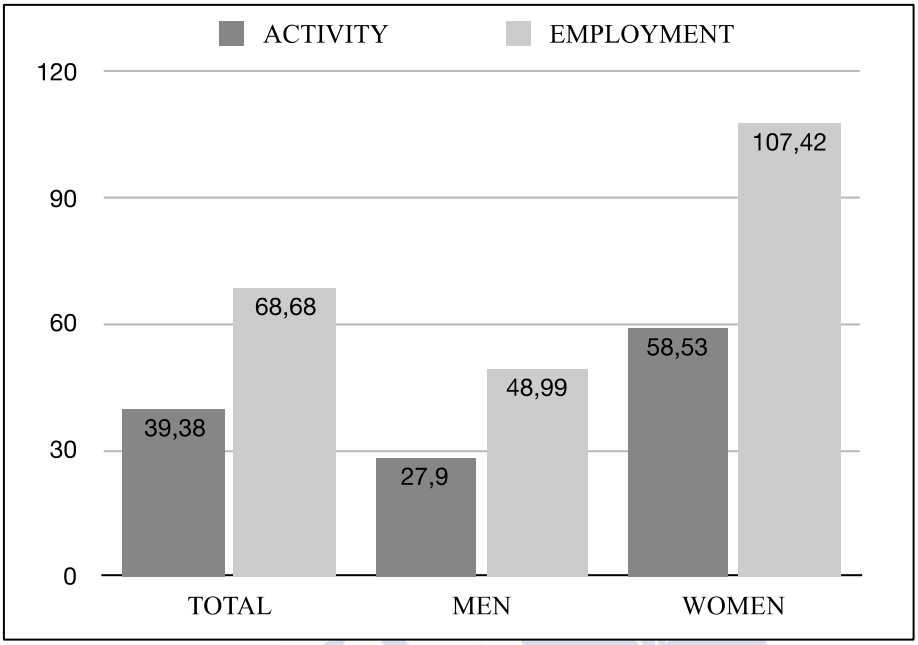

Figure 8.6. Variation in the levels of employment and acitivity, by sex, 1994, 2007. Source: Spanish National Institute of Statistics.

Secondly, Spanish households had recourse to increasing amounts of debt during the whole period, partly in order to compensate for widespread wage stagnation, partly due to their increasing needs of further liquidity in order to keep on acquiring new positions in the housing property market. As shown in the graph below, the financial position of Spanish households was increasingly compromised during these years, as manifested in the upward evolution of the ratio of household's debt to disposable income (see Figure 8.7).

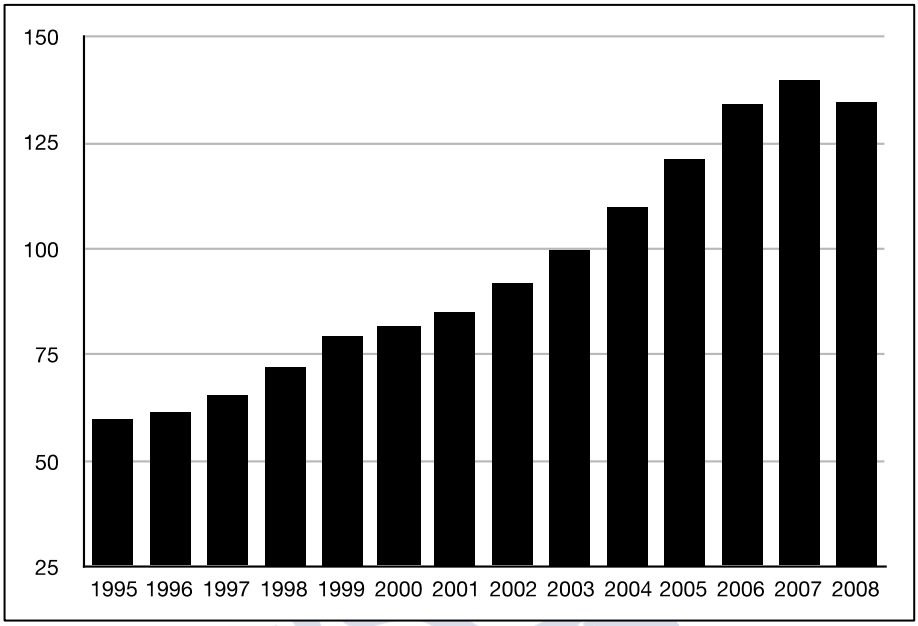

Figure 8.7. Evolution of the ration between households' gross disposable income and households' total debt, 1995-2008. Source: Spanish National Institute of Statistics (National Accounts), and Bank of Spain (Financial Accounts).

The relation between the housing bubble and households' increasing levels of indebtedness is twofold. On the one hand, in a context in which home ownership was largely the norm, rising housing prices increased the wealth of families, which in turn allowed them to incur into further rounds of indebtedness by using those same housing properties as collaterals.

On the one hand, the 'reified' cultural-institutional propension of Spanish families to acquire new housing properties is compounded by the effect derived from soaring prices, thus strongly enhancing their willingness to incur into higher levels of indebtedness in order to acquire new properties. While some of this new debt contracted by households was definitely directed to finance their increasing consumption levels, most of it was directed to buy new housing properties during these years.

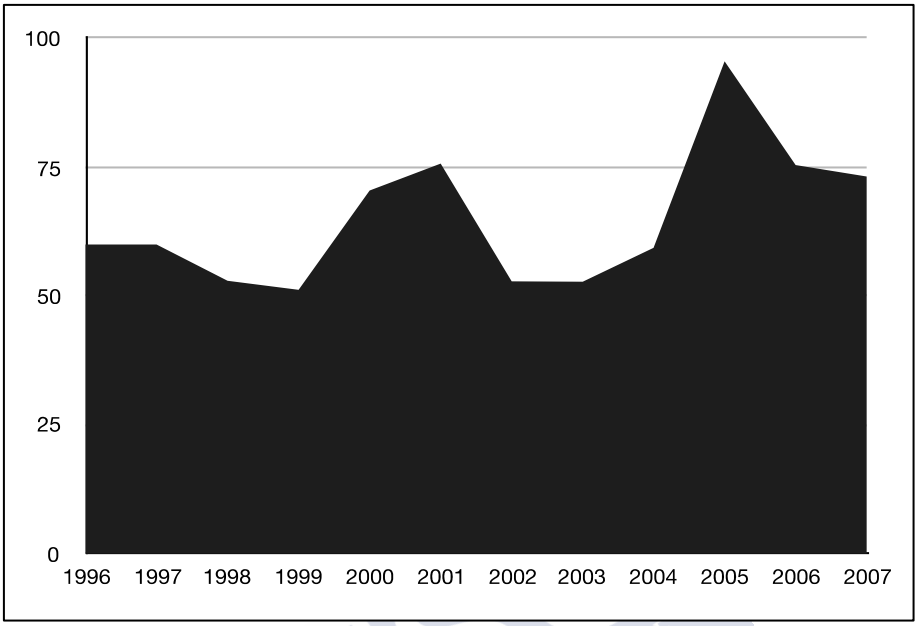

Figure 8.8. Proportion of housing loans over total loans contracted by households, 1996-2007. Source: Naredo, Carpintero and Marcos (2008).

As shown in Figure 8.8 above, the proportion of total loans contracted by households which were directed towards acquiring new housing properties was never less than half in those years, reaching beyond 75% during the very last years of the cycle, when revalorization dynamics were the most intense.

Thirdly, the last atypical source of income that needs to be considered, one which is not even captured by the Spanish National Accounts system, is the extent of housing prices revalorization. In case housing were an asset unevenly redistributed over the population, rising prices could have meant a significant source of income only to a little fraction of the population. However, in the Spanish scenario, where the overwhelming majority of houses are owned by households themselves, such an intense process of real estate revalorization had quite profound effects, however uneven, over the whole social structure beyond merely expanding household's capacity of indebtedness.

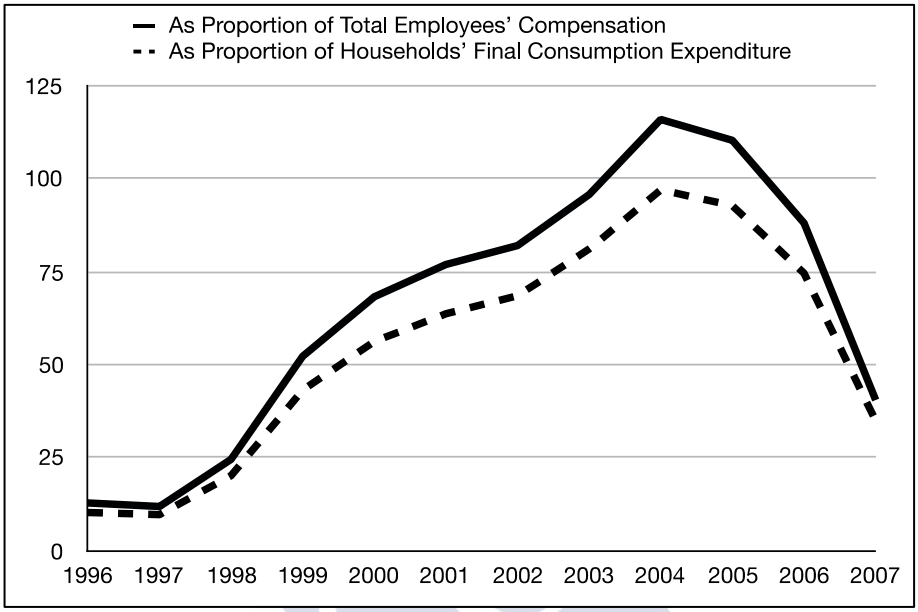

Figure 8.9. Housing revalorization amounts in relation to, respectively, total employees' compensation and households' final consumption expenditures. Source: Naredo, Carpintero and Marcos (2008), and Spanish National Institute of Statistics.

As seen in Figure 8.9 above, whereas at the beginning of the cycle they represented relatively modest amounts in relation to more traditional sources of income, at the end it amounted to even more than total employees' compensation. Certainly, not all of it could have been converted into liquidity susceptible of funding consumption expenditures.[37] However, in the second half of the upward phase, when trading activity on preexisting housing assets was more intense, vast amounts of money could certainly have been drawn out successfully. Indeed, the main source of funding for new real estate acquisitions were not loans from the financial sector, but incomes generated by selling already-existing properties. As shown in Figure

[37] Indeed, while only a tiny fraction of the total stock is susceptible of being sold (on the contrary, market prices would have immediately plummeted), the nominal value of *all* existing properties is positively affected. The increase in nominal wealth is therefore only a latent and, ultimately, spurious one.

8.10 below, around half of total expenditures in new properties' acquisition came from the sustained process of self-revalorization, whereas one third of it, in average, came from households' increasing leverage. As noted by Naredo et al. (2008 : 77), 'the predominance of home ownership among households enabled sustained price increases in this model to unleash a spiral of capital gains, new construction and housing purchases, mostly fed by itself, despite its further expansion requiring additional financing by households'. In a nutshell, buying cheap and selling dear was the most common practice through which to obtain extra resources in the midst of what seemed to be, at the time, a boundless process of real estate revalorization.

In sum, the Spanish model, despite its many internal deficiencies and disequilibria, did manage nonetheless to give rise to other social processes, some of them unexpected, some others intrinsically contradictory and self-defeating, whose interaction, by offering each other mutual support, managed to yield an appearance of absolute success well beyond what should have been expected. Rising consumption levels were crucial for obliterating the gradual worsening of labor conditions and thus to secure widespread social consent with the existing order.

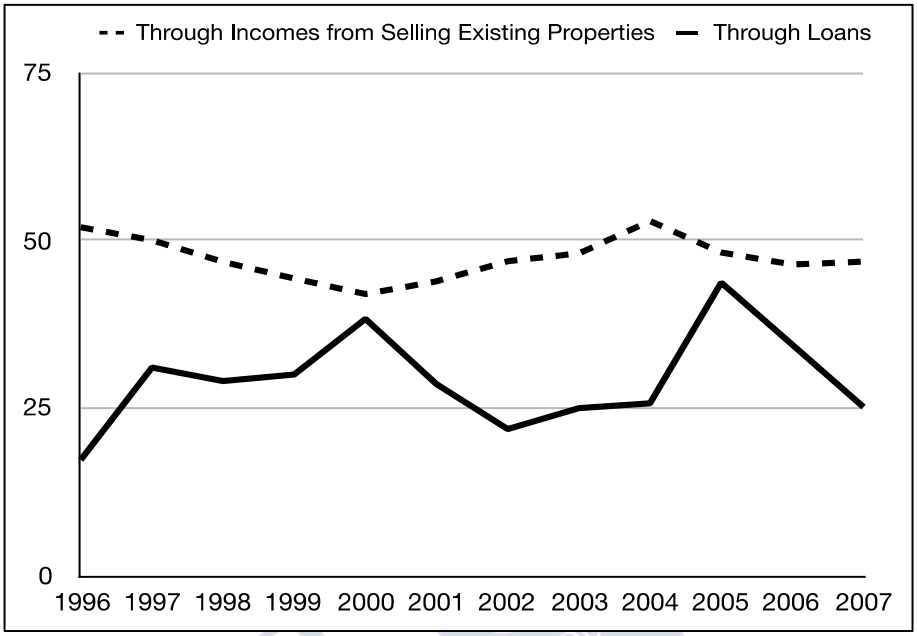

Figure 8.10. Sources of funding for housing acquisitions. Source: Naredo, Carpintero and Marcos (2008).

In this sense, the relations of mutual constitution and reinforcement among various social process just indicated can hardly be overemphasized. For instance, intense employment growth during those years helped prevent real wages from rising in a sustained fashion, which in turn called for higher employment participation to support family incomes in a social context marked by increasing household leverage; stagnating wages, in conjunction with rising real estate prices encouraged further rounds of household indebtedness, which in turn encouraged higher rates of employment and activity in order to confront existing leverage, and so on. Therefore, a virtuous cycle ensued among these various social processes as long as housing prices kept rising, offering each other support while significantly attenuating their individually contradictory character. However, despite the generalized climate of euphoria it contributed to generate

during the central years of the cycle, the Spanish housing bubble, as any other asset bubble, eventually had to deflate. By constituting itself as the central element of the Spanish institutional edifice during those years, as soon as the virtuous dynamics grounding it were interrupted, the remarkable paths of both consumption and capital accumulation were bound to come to a halt.

8.4.3 Over-Burdened Women.

As noted in previous sections, the family arguably stands as the foremost institution regarding social reproduction in the Spanish political economy. Articulated by rigid gender norms, families function as 'shock absorbers' by cushioning the worst effects of a very dual Labor Market that systematically delivers high levels of precariousness to its external layers together with a patchy, asymmetric, and clientelist welfare state with significantly low redistributive reach. Public policy, through its stubborn inaction to relieve Spanish families from their care responsibilities, left the former as the only possible alternative to the latter's satisfaction, thus implicitly nurturing existing gender roles, reproducing and reinforcing the situation itself. Moreover, Spanish families' high levels of internal cohesion had served to counteract the levels of discretion to which Spanish capital had traditionally submitted workers to, as their employers' call for higher 'flexibility' found its counterpart in precisely that flexibility displayed by Spanish families in correcting the many malfunctions of the institutional environment where they found themselves immersed. In sum, Spanish families, or, rather, Spanish women, have stood as the ultimate pillar sustaining the Spanish social formation, without whose silent acquiescence the latter's self-reproduction would have been perennially subject to social contestation and, perhaps, institutional self-dissolution.

However, the contradictory growth path followed by Spanish neoliberalism ultimately compromised its own foundations, as soaring female participation into paid employment during those years put under greater strain a welfare regime ultimately grounded upon the widespread availability of women’s costless labor, bodies and attention. Despite women’s labor force participation being still relatively low to European standards, the change experienced during the last two decades in that respect is an unprecedented one. While in 1994 the rate of female labor market participation for women aged between 25 and 54 years old was 54,5% (48,7% for those in the 20-64 interval), in 2008 the rate situated itself in 75,3% (67% for those aged between 20-64), thus experiencing an increase of more than 20% in barely fifteen years. Certainly, any social change of such an order is necessarily grounded upon multiple other processes. While some may not be directly related to the specific institutional equilibria corresponding to Spanish neoliberalism (e.g. long-lasting cultural changes, increasing female enrolment in tertiary education), stagnating average real wages together with surging household indebtedness have probably acted as strong pull factors in that respect. A proof of this is that, with the onset of the Great Recession, when an apparently boundless process of intense employment destruction begun, female labor force participation kept on rising at equally high rates.

It must be stressed that the inherently contradictory character of this process lies not in the absolute value female labor force participation had reached, but in the magnitude of its change in the face of a very resilient and asymmetric domestic division of labor (Gálvez, Rodríguez-Madroño, and Domínguez-Serrano 2011; Sevilla-Sanz, Gimenez-Nadal, and Fernández 2010), on the one hand, and public policy inaction to consistently unburden women of the care responsibilities systematically assigned to them by the former, on the other. Moreover, if increasing labor market participation encounters a

labor market that delivers great levels of precariousness to its external layers, where labor usage flexibility is obtained prominently through the spread of fixed-term contracts instead of other types of 'flexi-time' arrangements and/or part-time jobs, and where maternity is associated with either remaining full-time or leaving paid employment altogether (Anxo et al. 2007), it is obvious that a profound 'care crisis' susceptible of compromising social reproduction did certainly emerge as a serious threat.

The eventual actualization of such a latent 'care crisis' was successfully postponed during the expansion phase thanks to the operation of several social process whose indefinite perpetuation was clearly impossible to attain. Firstly, Spanish families kept on displaying very high levels of internal cohesiveness, operating as 'social clearinghouses' with many intense and diversified exchanges within the extended family network (Bettio and Plantenga 2004). This involved not only the redistribution of monetary resources among its members (Trifiletti 1999), thus counteracting the uneven distribution of decent labor market opportunities (skewed towards 'core'/male workers) as well as of welfare state benefits (skewed towards the elders and those with long employment histories), but also the satisfaction of care-related needs. In the absence of public policies explicitly designed to cover unsatisfied care needs within the family when women enter the labor market, having recourse to the 'extended family' was the main strategy employed to address them (especially to women belonging to the previous generation). As noted by Tobío (2013 : 27), 'it is actually the family, or the family network, who substitutes the State, which is the institution to which care responsibilities when women enter the labor market should be assigned'. While this way of arranging social reproduction within the family strongly reinforces existing traditional gender norms, as it is women who, in the end, keep on doing most of care-related labor, it is nonetheless a provisional fix to an underlying problem public policy

had not been willing to fully address, for, while these women undertake their care responsibilities out of a feeling of moral obligation (Flaquer 2001), it is quite unlikely that those women currently employed will be willing to do the same when they eventually retire (Flaquer, Pfau-Effinger, and Artiaga 2014).

Secondly, myriad different strategies of individual resistance were deployed, such as multi-tasking and, above all, a sharp drop in fertility. Spain has featured one of the lowest fertility rates among EU countries for the last two decades, partly in response to increased female employment in conjunction with an institutional environment which highly complicates achieving a balance between work- and family-demands in the absence of external help by other family members (de Laat and Sevilla-Sanz 2011). As noted time ago by Bettio and Villa (1998), a ‘familialist’ institutional environment that places upon women’s shoulders the bulk of reproductive labor explains why rising female employment participation is manifested predominantly in the reduction of the size of the average family rather than in a reduction of its cohesiveness. As shown by Bernardi (2005), declining fertility rates during last decades were not due to a reduction in their desired aspirations regarding child-rearing but, rather, to the difficulties derived from the institutional environment where decisions upon maternity are immersed.

Despite family economies being submitted to increasing pressures and strains, and Spanish women having been subject to increasing demands from bosses, husbands, children and themselves, the ultimate pillar and support of the institutional assemblage under consideration, where myriad social contradictions found their ultimate support, was the entry of large swathes of immigrants since the year 2000. This process is all the more significant since large emigration flows have been a typical feature of the Spanish social formation for the whole twentieth century, immigration been mostly a negligible phenomenon until the mid-1990s. As seen in Figure 8.11 below, while immigration

flows had been showing quite modest proportion during the initial years of the expansion phase, featuring around 30.000 new entries per year between 1994 and 1997, it acquired an exceptional momentum since the year 2000, reaching almost one million new entries in the last year of expansion, 2007. In just eight years (2000-7), 5 million people entered Spain in what remains to date the most intense immigration cycle in Spanish history. As a result, whereas by 1998 Spain had the lowest share of immigrant population among the EU-15 countries, just a decade later, in 2008, it featured already the third highest ratio (see Figure 8.12).

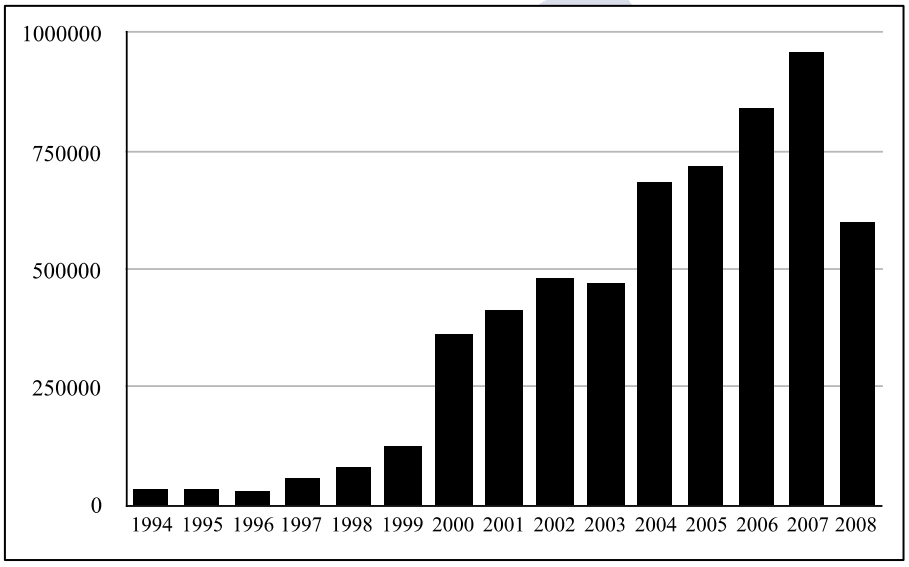

Figure 8.11. Yearly immigration flows into Spain, 1994-2008. Source: Spanish National Institute of Statistics.

Among the reasons underlying such an impressive upsurge in immigration flows, the interplay between, on the one hand, rising unsatisfied care needs due to steady population ageing in conjunction with rising female labor force participation and, on the other, an under-developed welfare state regarding public care provision, is to be

pointed out. Moreover, an already very significant underground sector plus the effect of several regularization programs undertaken during the early 2000s, fostered ‘a new migration model characterized by limited regulation of entries and stays, favoring irregular migration which in turn was readily supported by the large informal economy’ (Ibáñez and León 2014: 114). While most immigrants arriving to Spain between 1999 and 2007 did so without a work permit, booming employment and a productive specialization in economic sectors typically over-reliant upon informal labor arrangements made it easy for them to get a job. However, their employment patterns were highly segregated (Bernardi, Garrido, and Miyar 2011), with foreign-born men being mainly allocated to the construction sector and to low-skilled services, and women being mostly employed in the household sector (León 2010). This simultaneous expansion of both demand and supply of care services helped consolidate the domestic sector as the main employment niche for migrant women. In this sense, despite the attempt to radically recast the Spanish system of long-term care provision through the approval of the so-called ‘Dependency Law’ in 2006, the predominance of cash payments over service provision ended up reinforcing existing socio-institutional inertias regarding care provision, for the lack of a pre-existing system of public care provision was compounded by the already strong informal care market, so that cash payments ended up being used to subside family members and/or non-professionals, failing in turn to consolidate a formal market (Ibáñez and León 2014). While the predominance of the underground sector largely preceded the large inflows of undocumented migration, itself acting as a strong pull factor for ulterior arrivals, both processes nonetheless reinforced each other, preventing the consolidation of a formal market while simultaneously reinforcing the further casualization of immigrant labor (Simonazzi 2009).

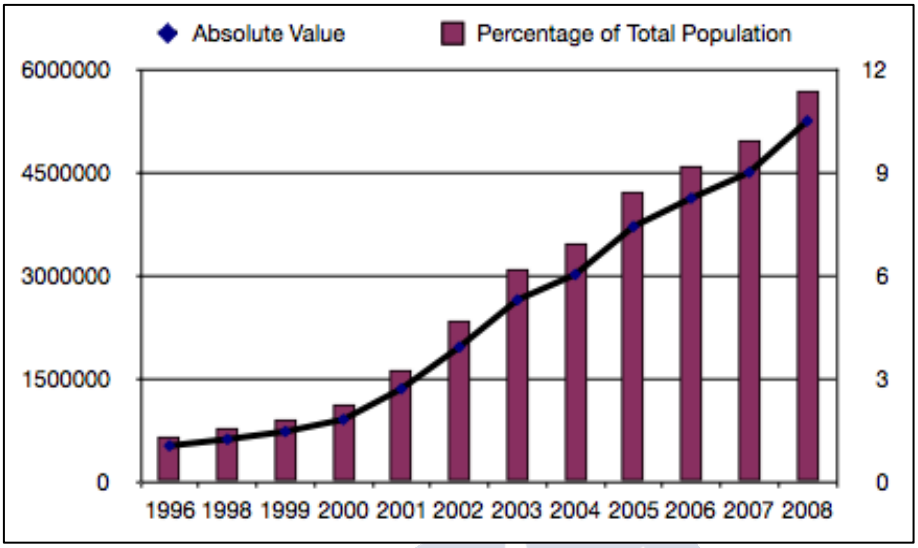

Figure 8.12. Proportion of foreign-born population over total population (right axis), and total foreign-born population (left axis), 1996-2008. Source: Spanish National Institute of Statistics.

In the absence of a public system of care provision, the development of a strong informal market served to alleviate time pressures on dual-earner Spanish families by offering them a low-cost marketized solution to their perceived unsatisfied care needs in an economic context featuring widespread wage containment. This market-based solution did nonetheless reinforce existing social cleavages along several lines. Firstly, it strengthened ethnic-based divides by preventing the recently arrived immigrants from entering the formal labor market, where the existing possibilities for full-scale assimilation to the national population would have been much higher. Secondly, it exacerbated class-based segmentations, as dual-earner families and those holding higher levels educational attainment (which in turn are correlated as well), could hire external services in the informal market, while low-income families, whose earnings might hardly allow them to externalize their care needs' satisfaction, were forced to resort to traditional 'familialist' arrangements. Lastly,

traditional gender roles were not necessarily challenged despite increase female participation in the labor market, as the system of care provision was reorganized along severely marked gender lines, as the role of women in many families shifted from providing care services themselves to coordinating the care labor of informally-hired immigrant workers. As summarized by Bettio et al. (2006 : 282):

> A complex division of labor is developing whereby family carers (mainly women) provide the coordination, while the task of minding is entrusted to the female immigrant, and more skilled as well as prevalently native workers – private or public – take on paramedical tasks where and when needed. A complex segmentation of the market along gender and ethnic lines has thus arisen from an abundant supply of cheap labor combined with a limited supply of specialized public services.

In sum, the development of a strong informal domestic sector, highly articulated along gender and ethnic lines, provided indispensable support for the above-mentioned social trends while helping aver a latent ‘care crisis’ in a ‘familialist’ environment undergoing very rapid changes, undocumented migration standing as one of the unacknowledged pillars sustaining the entire institutional structure.

8.5 Developing Complementarities among Unsustainable Processes.

The analysis presented above attempted to show how the productive deficiencies and internal disequilibria of the Spanish SSA did not manage to undo the institutional structure of the latter. Indeed, it seems that the observed macroeconomic success during the expansion phase was somehow proportional to the extent of its underlying contradictions. Precisely, in order to understand the institutional

mechanisms co-governing economic expansion for more than a decade it is necessary to appraise how those internal disequilibria managed to give rise to certain social processes which, despite showing a markedly contradictory character if considered in isolation, managed nonetheless to offer each other support in such a way that their joint reproduction was secured over time. Neither self-sustained revaluation dynamics, nor growing indebtedness unsupported by expanded productive capacity, nor increasing current account imbalances with the main trade partners, nor an enlarging competitiveness gap while immersed in the same monetary area could ever be reproduced *ad infinitum*. However, these trends managed nonetheless to coalesce into a precarious institutional ensemble articulated by relations of mutual reinforcement among its key components. Despite its ultimately self-defeating character, its effects were going to impregnate the decades to come.

For instance, the internal deficiencies within the structure of the Spanish productive sector did favor a continuous sectorial shift towards financial and construction-related activities, the common interests built around the latter ultimately favoring the emergence of widespread speculative dynamics within the real estate complex, manifested in an impressive upsurge of both housing prices and new constructions, the ultimate source of the social effectivity of the Spanish model. This ongoing productive specialization both needed and favored an inherently 'low-road' pattern of international insertion, thus reinforcing the extensive growth pattern of the Spanish economy, much more dependent upon incorporating new labor units than upon fostering a more productive use of them, while also consolidated an already-strong underground sector which, among other things, acted as a strong pull factor for sizable immigration flows. The inability to consistently raise labor productivity throughout the period made the distributive struggle between capital and labor the centerpiece of the former's strategies for survival, needing the incorporation of massive

influxes of new workers, mainly previously inactive women and immigrants of various origins. While such vigorous process of employment creation, one of the most praised achievements of the Spanish model at the time, was functional to capital in the sense of preventing widespread real wage revaluation, which would have been fatal to capital’s strategies, wage stagnation fueled in turn further new entries in employment, both in order to complement family incomes in light of increasing private consumption levels and as a response to soaring levels of indebtedness among households. Increasing leverage within the private sector was both encouraged and enabled by recurrent housing price increases. Whereas households could use their housing properties as collaterals in incurring into new rounds of indebtedness, ultimately used to keep on expanding consumption levels while simultaneously feeding the housing bubble, private firms did so in order to profit from revaluation dynamics far away from their alleged productive activity.

In sum, a vicious circle ensued between growing indebtedness, employment expansion, soaring leverage by financial activities, wage stagnation, increasing consumption levels, growing trade deficits and ecological destruction, self-sustained price increases within the real estate sector ultimately knotting them together. However, once the housing bubble eventually deflated, as every asset-price bubble eventually does, internal relations of complementarity suddenly gave way to its very opposite, that is, a precarious structure plagued with internal malfunctions, where the internal expression of each could not but reinforce further economic decline and institutional decomposition. Before analyzing in detail the form in which the Spanish Liberal SSA imploded once internal problems became insurmountable, we first turn our attention to the nature of those social consensuses which, during the expansion-phase, prevented the former’s most socially damaging effects from coming to the fore in the political arena.

USC
UNIVERSIDADE
DE SANTIAGO
DE COMPOSTELA

9 ATTAINING SOCIAL CONSENSUS IN CONTEMPORARY SPAIN. 1995-2008.

The institutional underpinnings of the long expansion phase of the Spanish economy between the years 1995 and 2007 have been explored in detail in the previous chapter. We argued there that the much-praised-at-the-time Spanish model was in the end plagued with several malfunctions and internal inconsistencies. However, partly due to explicit political intervention, partly through outright indirection, its various internal disequilibria did manage nonetheless to provide each other support in such a manner that their joint occurrence was reinforced over time. A precarious institutional ensemble ensued, where the inherently contradictory, and ultimately self-defeating, character of some of its main components not only did not force any sort of institutional breakdown whatsoever but, on the very contrary, seemed to accelerate the momentum acquired by economic expansion in the course of its operation. As shown in next chapter, once self-sustained revaluation dynamics in the housing sector were drawn to a sudden halt, the very strength of the previous economic expansion abruptly turned into its very opposite, that is, a sudden and merciless process of economic breakdown and institutional decomposition.

However, as noted in chapter 5 above, while securing the conditions needed for sustained capitalist economic activity is a necessary requirement of any well-functioning SSA, it must nonetheless secure as well a level high enough of social consensus regarding its mode of operation. This is not to say that social conflict ought to be eradicated but that it should be channeled, organized and structured in such a way that it does not enter into conflict with the

main institutional buttresses co-governing capitalist activity. The Spanish Liberal SSA's sound macroeconomic success rested upon highly fragile institutional bases. While most among the main social processes sustaining capitalist economic activity were highly susceptible of having given rise to several social demands questioning the existing social order at the time, the institutional underpinnings of economic expansion between 1995 and 2007 were barely affected by social conflict during those years.

It is our hypothesis that, in order to understand why such institutional underpinnings were not politicized, that is, why they did not become subject to internal contestation despite apparently containing the seeds to have become so, it is necessary again to appraise how those intrinsically conflictive social processes referenced above managed to support each other's occurrence in such a way that the worst social effects derived from each were ultimately somehow counteracted or attenuated by the others' operation. However, as shown in the next chapter, the homeostatic functioning of the ensuing institutional structure was suddenly interrupted by the time real estate revalorization dynamics suddenly came to a halt. As soon as the Spanish SSA started to disintegrate, the inherently conflictive dimension of its main institutional underpinnings was to disrupt existing social consensuses in the guise of a set of unsatisfied demands the existing order could not keep on keeping at bay. Our aim in the present chapter is twofold. On the one hand, we will attempt to show how the inherently conflictive nature of the Spanish SSA's main institutional blocks was prevented from coming to the fore thanks to the relations of mutual support provided by the remaining ones. On the other, we will offer an account of how social conflict was effectively channeled along certain social lines ultimately unrelated to the institutional underpinnings of the economic expansion, leaving the latter immune from its utterly conflict-prone bases.

9.1 The Homeostatic Functioning of the Spanish Liberal SSA.

Despite being grounded upon a significantly unstable terrain, a social order was indeed successfully generated and maintained during the long decade of economic expansion here under consideration. To recap, a social order needs, firstly, to channel existing social conflicts along dimensions not directly implicated in the underlying SSA's internal mode of operation. Again, it is not a matter of suppressing it altogether but of structuring in such a way that it does not affect directly the main institutional buttresses underpinning capitalist activity, preventing the latter from being submitted to internal dispute. Secondly, some common ground is to be generated among symbolically recognized social actors that unifies to a certain extent their initially heterogeneous aims and aspirations. Lastly, institutional means ought to be deployed to prevent those excluded from existing social hierarchies from disrupting them, reproducing their lack of symbolic resources with which to unsettle existing social equilibria which, in turn, constitute the material bases of their situation of exclusion. In analyzing how the Spanish SSA managed to prevent its main institutional blocks from being politicized, three main areas merit special attention in our view, namely, antagonistic labor relations, an under-developed welfare state, and the absence of family policies. While directly implicated in the specific path of development the Spanish SSA embarked itself upon during those years, their functioning was not widely questioned thanks to the support provided by coexisting social processes.

The Spanish SSA has featured antagonistic labor relations all throughout the period under consideration, as the distorted pattern of capital accumulation made capitalist profitability increasingly dependent upon the result of its distributive struggle with labor. While, in general, politicizing capital-labor relations represents a

serious threat to any capitalist social formation, irrespectively of its particular institutional form, it would have been even more system-threatening in the Spanish case due to capital's valorization dynamics. While the impressive upsurge in employment has been generally pointed out as one of the foremost successes of the Spanish SSA, it was obtained at the cost of widespread wage containment (manifested in the flat evolution of average real hourly wages); dramatic levels of precariousness, especially in the labor market's external layers (manifested in the pervasiveness of fixed-term contracts); and very high levels of unemployment (which never managed to reach below 8% of active population in more than a decade of uninterrupted growth).

Increasing precarization and individualization of labor relations certainly complicates to a great extent a process of widespread politicization of capital-labor relations *tout court*. The high rates of both temporary contracts and unemployment, respectively, are but the end result of a strategy of increasing precarization of labor relations as a rudimentary disciplinary device, fostering a generalized state of material insecurity and mutual rivalry and competition among workers which greatly complicates collective action anchored around their common condition as workers. However, it is our view that the erosion of working-class political identities' hegemonic depth cannot be properly understood without taking into consideration the support provided by other individually-contradictory trends partaking of the SSA, among which real estate self-valorization dynamics should be especially pointed out.

Soaring levels of private consumption helped disguise the growing precarization of labor relations, obliterating underlying dynamics of social polarization derived from both the stagnant evolution of real hourly wages through the whole period and the increasing need of enjoying of two sources of labor income to keep up with consumption standards. In a context marked by widespread

homeownership among virtually all layers of the population, not only did patrimonial rents derived from real estate revalorization dynamics serve to partially compensate for wage stagnation but were also crucial in providing access to credit resources in order to keep on increasing consumption levels beyond what the evolution of labor income would have apparently indicated. In turn, increasing consumption levels were crucial to re-signify a new 'middle-class' status now linked prominently to consumption patterns rather than to the enjoyed modality of labor inclusion. Property income, rather than employment outcomes, were thus consolidated as the primary marker of social status. López and Rodríguez (2010 : 262) succinctly summarized the new role housing property was to play in structuring social hierarchies:

> 'Financialization, by reinforcing and 'universalizing' the material and symbolic value of property, has generalized what in fact is the main articulatory element of the middle class: property as a vehicle to social integration. Property as the road towards de-proletarianization, towards de-classing a class society, towards inclusion within a society unaffected by the radical divide between capital and labor. Property as both refuge and investment against generalized uncertainty'.

In sum, rising consumption levels helped consolidate a generalized state of euphoria, ultimately grounded upon increasing levels of private indebtedness and wealth-effects derived from ascending housing prices, in turn obliterating both underlying class divides and a general degradation of labor conditions affecting the vast majority of all those involved in paid employment. In this sense, 'housing became a political drug, highly addictive as it temporarily allowed political elites to overcome capitalist contradictions: boosting

corporate profits by lowering the wage share while increasing private consumption and achieving fiscal surpluses' (Fernandez and Aalbers 2016: 84). Obviously, neither of the two main pillars upon which consumption expansion was ultimately grounded could have been reproduced endlessly. However, while these unsustainable trends did foster a generalized feeling of increasing democratization of material rewards for more than a decade, seemingly approaching the neoliberal utopia of a classless society articulated around property ownership, underlying social segmentations were bound to come to the fore as soon as housing revalorization dynamics were interrupted.

Moreover, while degrading labor conditions were certainly not evenly distributed over the employed population but, instead, highly overdetermined by existing social divides around race, sex, age, and private/public sector, calls for further labor market liberalization, under the guise of promoting a more 'flexible' and 'competitive' economic environment, were all-too-present in political discourse during all those years (Clúa-Losada 2015). Indeed, the discourse on labor market rigidity would only be applicable to 'core' workers enjoying an indefinite contract, for the pervasiveness of fixed-term contracts in the external layers of the labor market made it utterly senseless when referred to the modality of labor inclusion enjoyed prominently by women and the young. Indeed, such an emphasis on 'competitiveness' *qua* internal devaluation strategies did reveal an acute understanding by economic elites of the extent to which their eroding profitability was increasingly dependent upon a favorable outcome in their distributive struggle with labor.

However, it is our view that the higher protection offered to 'core' workers, in conjunction with, on the one hand, the intense internal redistribution of resources that characterize Spanish families and, on the other, a welfare system skewed towards the needs of the elderly, served to cushion the widespread effects of labor precariousness. Were it not for the relative security offered to 'core' workers within a

family institution which, despite being submitted to increasing strains, kept nonetheless showing quite high levels of cohesiveness, anything resembling a social order would have probably been simply a chimera, for it was precisely the persistence of micro-solidarity dynamics within the family that which precluded sharp labor market segmentation from being translated into fully-fledged social divides, thus preventing wider opposition to the existing social order from those systematically enjoying the worst modalities of labor inclusion, significantly women and the young. Regarding the former, the 'narrow concept of citizenship' upon which familialist welfare regimes are grounded (in the Spanish case, intimately linked to its Francoist heritage) prevented wider contestation by women of their modality of labor inclusion (Torns et al. 2013). Regarding the young, on the one hand, extended family support helped obliterate existing intergenerational cleavages regarding labor opportunities. On the other, a middle-class status linked to tertiary education played a fundamental role in re-signifying labor precariousness as a transitional stage rather than as a clear indication of accelerating proletarianization. While Spain has featured some of the highest rates of tertiary education involvement in the EU (Karamessini 2008a), this had much less to do with a social need for highly-educated workers, as the growth path followed by the Spanish economy made most of them ultimately redundant, than with a reified association between holding an university degree, on the one hand, and middle-class status and expectations of upward social mobility, on the other (Rodríguez 2016b).

Another issue around which potential unsatisfied demands might have coalesced was welfare state under-development. In this respect, two main factors should be singled out. On the one hand, the ideological role played by European Union membership cannot be underestimated. Ever since the 1980s, the idea of European integration was used strategically as a symbol of progress and modernity in order

to support a process of convergence in terms of social expenditure. However, even after such process was drawn to a halt during the 1990s, EU membership served to legitimize a sharp turn towards workfare-oriented policy priorities (Moreno and Serrano 2011). The final adoption of the Euro in 2002 coincided with the strongest phase of housing revalorization dynamics, which were in turn crucial to keep on sustaining rising consumption levels. Despite the fact that it was precisely monetary integration that which further aggravated the underlying disequilibria of the Spanish SSA, whose ultimate effects would become manifest only after 2008, rising consumption in hand with a social perception of generalized enrichment served to reinforce the already reified association between European integration and socio-economic development.

On the other, the classical trade-off identified by Kemeny (1981) between home-ownership and welfare state expansion, as alternative mechanisms of long-term saving, was exacerbated by the effects derived from the housing bubble. Rising housing prices in a context where home acquisition had long been reified as the most reliable vehicle of long-term saving could not but draw out social support from further Welfare State expansion. Moreover, intergenerational dynamics played as well a crucial role in favoring the gradual implementation of an emerging system of 'asset-based welfare' (Doling and Ronald 2010). Not only was the Spanish population distribution significantly skewed towards the old (mostly a result of receding fertility rates in previous decades), but housing market's own dynamics also contributed to reinforce the material and symbolic preeminence of older generations for, as noted by Schwartz and Seabrooke (2008 : 257), '[dwellings'] re-pricing conveys windfall gains on housing market insiders, while burdening new entrants with increased debt. Because on net nearly all insiders are older established households while new entrants are younger households, re-pricing

creates a massive transfer of wealth upwards in both age and income terms'.

In sum, younger generations could not profit from speculative dynamics in the housing market while their employment outcomes were heavily affected by the type of productive specialization promoted by the former. However, it is again the key role played by Spanish families that which is to be held responsible in the last instance for their lack of social contestation, as strong intra-familial transfers compensated the demographic bias towards the elderly regarding both welfare spending and home ownership, preventing the generational cleavage from acquiring full political expression, something which could have seriously destabilized the existing social order. Somehow paradoxically, while Spain is among the EU countries where more extensive support for active state intervention in welfare state areas can be found (Calzada and del Pino 2011), it is so ultimately because of the operation of two crucial pillars generally unacknowledged in conventional accounts of welfare state components, namely, the housing property market and the family.

Lastly, another element around which social discomfort could have given rise to a set of unsatisfied demands susceptible of having seriously compromised social reproduction concerned the most flagrant absence in the Spanish Welfare architecture, namely, family policy. A systematic lack of public policy interventions directed towards unburdening women of the care responsibilities 'naturally' assigned to them was implicitly supported by an ideological configuration of social care needs as a strictly gendered private responsibility, in which a strong sense of moral obligation prevented (and certainly continues to prevent) widespread politicization of the public-private divide upon which social reproduction ultimately rests (Bruff and Wöhl 2016). Despite family economies being submitted to increasing strains due to rising female employment participation in the face of a very traditional and resilient domestic division of labor, the

arrival of large swathes of immigrants played a key role in attenuating social pressures regarding the insufficient provision of public services directed towards families and children, as the widespread availability of informal low-cost market-based care arrangements enabled dual-earner families to externalize to some extent their care responsibilities, thus diminishing the salience of work-family conflicts among the layers of the population that disposed of the appropriate material and symbolic means to actually turn it into a public issue.

In sum, attaining high levels of social consensus was ultimately dependent upon social trends whose endless reproduction was utterly impossible to attain. For instance, housing revalorization dynamics permitted a successful obliteration of both an increasingly skewed income distribution and welfare state insufficiencies from public debate; widespread expansion of credit and debt among private households reinforced a re-signification of middle-class status now linked to consumption patterns rather than to labor market outcomes; social conflicts around care provision were partially ameliorated by large immigration flows, whose entry was further induced by a booming underground economy linked to Spanish productive specialization, and so on.

It must be stressed, however, that despite the capacity of the Spanish model to draw vast layers of the population into its generated consensuses, not all of those who were involved had the symbolic and material resources to make their own voices heard. Any well-functioning social order, in order to be self-constituted as a totality, needs to exclude some elements from it (Laclau 1990; Rey-Araújo 2018). Among those whose (potentially critical) voice was prevented from disrupting existing consensuses one should count, among others, lower-class women, where the intersection between class and gender divides became the more acute, who lacked the capacity to externalize their care responsibilities by having recourse to informal market arrangements, and whose modality of labor inclusion predominantly

offered little to none possibilities of upward promotion; those without housing properties, who could not benefit from asset revalorization dynamics, who had to have recourse to an insufficient and expensive rented market, and whose destinies where left to the vagaries of the labor market; the young who could not enjoy family support to face stagnating wages and rising housing prices and, above all, the large masses of immigrant workers who, utterly deprived of both symbolic recognition and material resources, were forced to cater for the needs of the many while enlarging the profits of the few.

The analysis presented above has tried to show how the main institutional pillars upon which socioeconomic expansion crucially depended between 1995 and 2008 were not subject to internal contestation despite apparently containing the seeds to have become so. Among the many internal disequilibria the Spanish SSA harbored within, virtually none of them were effectively politicized through a quarrel over its mode of operation that showed, on the one hand, the extent to which their respective particular configuration was ultimately contingent and, on the other, the fact that certain social groups had not partaken of their benefits. In this sense, the Spanish SSA was successful in the sense not only of having attained an impressive record in certain macroeconomic indicators, but also in that it managed to secure its main institutional pillars from being politicized.

It managed to do so, firstly, because the worst social effects derived from each were temporarily attenuated and/or obliterated thanks to the partial support offered by other individually-contradictory social processes and, secondly, because those excluded from its institutional arrangements were successfully denied symbolic recognition as well as the appropriate material resources to actually disrupt existing social consensuses. However, by no means were social antagonisms absent from the public sphere. Doing away with social antagonisms altogether is deemed to be an ontologically

impossible task, as the social exists in a perennial state of self-negotiation of its own boundaries. Therefore, the success of the Spanish SSA in securing widespread social consensus lies not in its capacity to fully eradicate social antagonisms, as already noted, but rather in its capacity to channel and structure them in such a way that its main institutional pillars were safeguarded and unaffected by them. Before exploring in greater detail which social issues were preeminently subject to social contestation, in turn shaping and modulating existing social cleavages, an examination is due of the idiosyncratic regime of visibility underlying political interaction in the Spanish social formation.

9.2. THE MIDDLE-CLASS DANCING POST-POLITICAL SONGS.

Underlying any visible political interaction there always lies a silent network governing what is sayable and what is not, what is arguable and what is not, which words are heard as words and which other as noise, which social actors have a right to speak and which others ought to be condemned to be spoken for. This regime of (in)visibility broadly corresponds to what Rancière (2004b) has termed a 'distribution of the sensible'.[38] Along very close theoretical lines, some authors have proposed the term 'Culture of the Transition' (see Martínez 2012) to refer to 'the whole organization of the visible, the sayable, the thinkable' dominant in the Spanish social formation during those years, '[for] every social organization is first of all a symbolic and aesthetic order which configures a common perception of things' (Fernández-Savater 2013).[39] This underlying regime of

[38] To recap: 'the distribution of the sensible [is] the system of self-evident facts of sense perception that simultaneously discloses the existence of something in common and the delimitations that define the respective parts and positions within it. (...) It is a delimitation of spaces and times, of the visible and the invisible, of speech and noise' (Rancière 2004b : 7-8).
[39] 'If words serve to blur things, it is because the conflict over words is inseparable from the battle over things' (Rancière 2014 : 92)

visibility has been significantly successful both in governing and regulating the terms of political contention as well as in delimiting which topics were susceptible to political debate.

Following Fernández-Savater (2012), the 'Culture of the Transition' (CT, hereafter), may be characterized by three main traits. Firstly, it has been an eminently 'consensual' culture, not in the sense that it values the capacity to reach agreements from dissenting positions at the onset, but in that features a remarkable aversion to political contention irrespectively of its actual content. Obviously, it is not meant that conflicting positions were inexistent but, rather, that the very limits delimiting which topics could be debated, and which others could not, were continuously prevented from being scrutinized and/or politicized. Secondly, it is a 'de-problematizing' dispositive for it does not accept public quarrels over its mode of operation. Social contestation is systematically reduced to a sort of aberration utterly incompatible with (market liberal) democratic procedures. In short, the CT does not conceive the existence of problems but only of interruptions to an otherwise 'normal' course of events. Lastly, as a corollary, it is a 'de-politicizing' assemblage for it does not permit posing questions over how collective life ought to be organized, that is, it forbids every public debate over whether 'parliamentary capitalism' is the most appropriate and/or socially convenient mode of social organization.

In this sense, the CT closely resembles that which Mouffe (2005) and Žižek (2008) have termed 'post-politics', that is, an eminently technocratic mode of administration where truly political dissent is either not recognized or, if forced to do so, immediately reduced to violent outbursts lacking any sort of underlying rationality whatsoever. Society is here assumed to be fully self-transparent, its basic coordinated being shared by all its participants and a harmonious coexistence between a plurality of different identities being ensured by the installation of a neutral framework of cooperation. As a

corollary, the distribution of the social product among its participants remains but a purely technical operation. In sum, it is the very framework delimiting both the issues suitable to undergo public debate and the social actors whose expertise on the matter is to be recognized, that which is prevented from politicization proper.

Within the two main symbolic positions instituted by the CT (i.e. *PP-PSOE*, conservative-progressive, Right-Left), absolute consensus over economic policy stood as the hidden element whose suppression from public debate ultimately grounded existing political alternatives. Not only was the social convenience of capitalism silently accepted everywhere, but also the very idiosyncratic form it took in Spain during those years: 'The CT is a mode of naturalizing the economy while not speaking about it, to take for granted its necessities and to de-problematize them' (Fernández-Savater 2013).

Despite changes in the party in government during those years, the main lines guiding economic policy have remained significantly constant throughout the period under consideration. There has been a remarkable continuity in the main lines guiding economic policy, which has in turn consistently reinforced Spanish capitalism's productive specialization in the real estate, financial and touristic sectors. As noted in the previous chapter, social redistribution of both acquisitive power and consumption opportunities was largely attained through fostering massive recourse to private debt in combination with a sustained generation of capital gains derived from real estate properties' revaluation. This model successfully generated a constituency adapted to both its nature and its limits, one which could be encapsulated under the banner of 'the middle class'. Contrary to established wisdom, widespread self-identification as 'middle class' was not dependent upon labor outcomes beneficial to broad masses of the population but to the socio-symbolic value of (mostly real estate) property as a vehicle to social integration and de-proletarianization.

In the Spanish scenario, the hegemonic 'middle class' status was increasingly dissociated from the modality of labor inclusion characteristic of the Fordist period, as the pervasive levels of labor precariousness ultimately indicate. Instead, considering oneself a member of the middle class meant, implicitly, accepting the basic coordinates organizing social coexistence (from validating existing social hierarchies to accepting patrimonial capitalism to be 'the only game in town') while, in return, enjoying increasing consumption patterns while being situated in an ascending historical continuum. It is this general acquiescence with the existing state of affairs, irrespectively of the manifold inequalities and segmentations it did nonetheless harbor, that which is reflected in the Spanish population's massive self-identification as 'middle class' (see Figure 9.1 below).

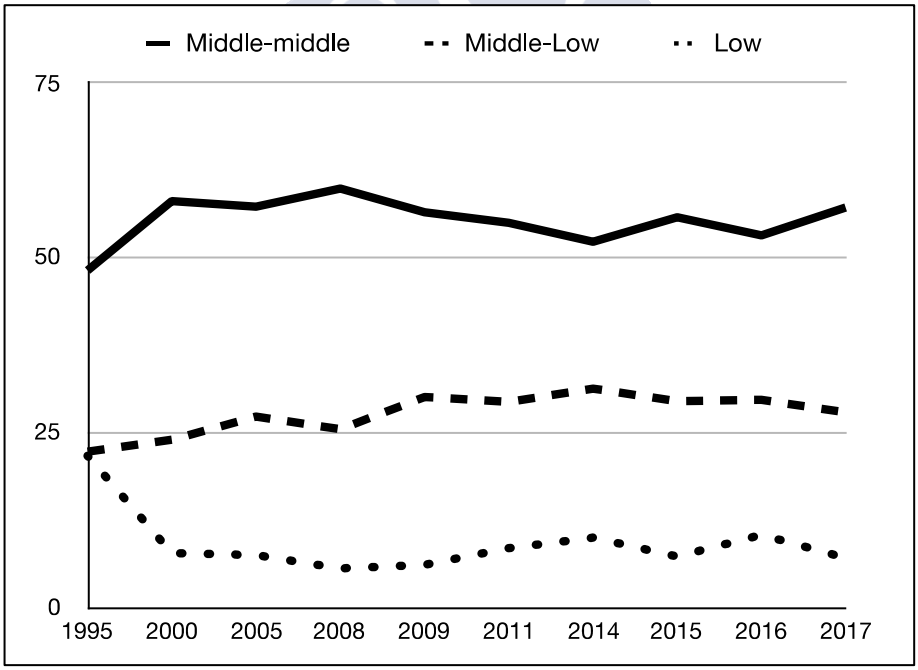

Figure 9.1. Evolution of self-perceived class belonging, in percentage over the total. Source: Spanish National Institute of Statistics.

Therefore, a ‘middle class’ identification reflected both a symbolic and an aspirational dimension inapprehensible from theoretical lenses self-restricted to strictly material conditions, signaling both a minimum level of social recognition and of representation within the public sphere, while simultaneously refusing to struggle against the very fundamentals articulating social coexistence. This dimension is nicely encapsulated by Rodriguez (2016a : 93): ‘The middle class is the negation of class. A collective assumption that there are no internal fractures to society, that the capital-labor conflict has been integrated into a reconciliatory synthesis. The middle class is, therefore, the inverted mirror of communism: the distorted realization of a classless society’. Žižek (2008 : 219) expresses himself in similar terms when he asserts that ‘in psychoanalytic terms, the ‘middle class’ is a fetish, the impossible intersection between Left and Right which, by expelling both poles of [class] antagonism into the position of antisocial ‘extremes’ [...] presents itself as the neutral common ground of Society’.

However, despite it being eminently an aspirational declaration, it did have nonetheless very precise material conditions of existence, although of a significantly different nature from those proper to Fordist arrangements. In the Spanish case, these included securing widespread access to consumption credit to increasingly vast layers of the population; favoring new entrances into the real estate market to ensure sustained price-increases of housing assets; favoring the arrival of masses of immigrants in order both to develop an informal market for care services and to ensure wage repression in the low-quality employment niches where the Spanish economy specialized (crucially construction and tourism); allowing for increasing consumption patterns despite underlying productive deficiencies; a strategic use of European integration in order to further the interests of domestic elites; and so on. Virtually all of the main actors entering the arena of representation held ‘middle class’ positions insofar as they did not

question the latter's conditions of possibility. In a nutshell, either in a strictly aspirational sense, or linked to consumption patterns, during these years 'Spain *was* middle class'. Certainly, behind this veil with a lure of 'End of History', class divisions were not only not superseded but exacerbated instead. While some did manage to compensate for the increasing labor precariousness to which they were submitted with sustained capital gains from the real estate sector, others were but deeply trapped into a spiral of indebtedness whose ultimate consequences were to be revealed after 2008.

Moreover, the nature of the last economic boom has accentuated some socio-cultural traits dating back to the Francoist years, related to a generalized aversion to political participation, or at least a distrust towards it, in a context in which every type of conflict was immediately read as an excess in need of being eradicated. The fragile and short-lived character of Spanish democracy is reflected in the fact that the type of middle-class it managed to spread was inherently individualistic and ever-threatened, for, as noted by Maura (2018 : 84), in Spain, 'the surface of the middle class coincides almost exactly with the aspiration to belong/remain in it'. This perennial fear to the stubborn persistence of underlying class realities contributed to further discredit collective action in favor of individual strategies of upward mobility, which was further reinforced by rampant labor precariousness levels in conjunction with the symbolic value attached to private property, thus further reducing the scope for collective action in turn. This has fostered a general climate of popular connivance with the strategies undertaken by Spanish elites, heavily dependent upon having close ties with the State apparatus in order to safeguard their own productive positions. In this sense, others' personal enrichment was validated as long as it did not impede one's own material improvement, despite most probably both occurring at quite different rhythms. This distorted version of Rawls's (1971) 'Difference Principle', which I am tempted to term 'perverted

Rawlsianism', was somehow implemented through real estate channels. Widespread capital gains helped legitimize myriad illicit practices undertaken by Spanish elites to profit from their privileged position. While 'the housing bubble extended the virus of speculation all throughout the social body' (Naredo 2019), the quality of the recovery, to say the least, was highly asymmetrically distributed over the population.

In sum, the upward phase of the cycle managed to generate widespread social consensuses around its mode of operation. The homeostatic functioning of its institutional architecture, whose main components, explored above in detail, did lend each other support in attenuating the most socially damaging effects derived from each, coexisted with a symbolic dispositive that managed to deactivate political discomfort with the existing state of affairs. However, while it resisted open quarrels over the configuration of its main institutional blocks, it was not free of political antagonisms. In this sense, the success of the Spanish model in generating consensuses coating its internal equilibria was reflected not in a complete eradication of antagonisms from the public sphere (the post-political dream *par excellence*), but in its capacity to, on the one hand, divert political energy towards ends wholly or partially unrelated to its main institutional blocks and, on the other, to successfully silent virtually every political mobilization rightly pointing to the very crux of the matter. To this issue we now turn.

9.3. DIVERTING SOCIAL ANTAGONISMS.

The main axes of political confrontation during the long decade of expansion left the main components of the underlying SSA relatively unaffected. Certainly, several political conquests were achieved during those years (especially during the PSOE's government headed by J. Rodríguez-Zapatero), relative to civil and individual rights, whose

utmost relevance and importance should be beyond all dispute. However, the truth is that, irrespectively of which political party was in office at the time, the main lines of political confrontation left, systematically, the main institutional elements sustaining economic expansion virtually untouched, while serving the interests of the hegemonic block constituted around financial and real estate interests. In this sense, the underlying SSA has been remarkably successful in diverting political confrontation from challenging its own very idiosyncratic nature.

The year 1996 signaled the end of the Socialist Party's hegemony in government after 14 years holding office. A discursively and symbolically renovated Popular Party finally came into office for the first time after the democratic transition. Constituted initially by former Francoist officials after the death of the dictator, it had progressively abandoned its traditional conservative motives to openly embrace an eminently neoliberal rhetoric consonant with the general orientation of the times. The period corresponding to its first term in office, 1996-2000, coinciding with the beginning of the economic expansion, were years of relatively low levels of social contestation (Antentas 2015). Not only had the economic expansion served to calm down social discontent, but its lack of absolute majority in Congress obliged the Popular Party to initiate a politics of social dialogue with the main trade unions while also making concessions to peripheral nationalisms, on whose collaboration the government's sustainability crucially depended.

The socioeconomic evolution of those years was crucially overdetermined by the drive to achieve the satisfaction of the Convergence criteria to be able to enter the EMU, in turn strongly supported both by a favorable economic scenario and by successive rounds of privatizations of public enterprises, which provided the necessary resources to accomplish a relatively painless process of adjustment. Moreover, the latter helped culminate the process of

Spanish capital restructuring already initiated during the years the PSOE was in office, by privatizing previously State-owned enterprises in the telecommunications (*Telefónica*), banking (*Argentaria*), and energy sectors (*Endesa*, *Repsol*), where Spanish capital was now seeking refuge.

The absolute majority obtained in the 2000 general elections enabled the party in government to pursue the main lines of their program without being constrained by the necessity to reach parliamentary agreements with other forces. Following Nuñez-Seixas (2017 : 309), there were three main lines of intervention which were to be pursued without traces of parliamentary opposition. However, while social protest in the streets was on the rise, in turn playing a crucial role in undermining PP's social hegemony during those years, it is nevertheless remarkable the extent to which they were, in the last instance, mostly unrelated to the specific institutional configuration governing economic expansion.

Firstly, the drive to further liberalize the Spanish economy was accentuated. Sound macroeconomic finances were obtained nonetheless through means not generally considered in standard macroeconomic accounts, due to both the effects derived from the housing bubble, which increased tax revenues without increasing the progressiveness of the tax system, and continuing rounds of public enterprises' privatization. Enjoying absolute majority in Parliament, the PP was no longer in need to continue developing a social concertation strategy with the main trade unions. Besides a decrease in social expenditure in relative terms, the labor market reform of 2002, which included several measures to further degrade labor conditions and significantly hardened the requirements to have access to unemployment benefits, gave way to the only General Strike called during PP's two terms in office, the 22nd of June of 2002.

Secondly, a neo-conservative version of Spanish nationalism was unashamedly put forward, which revendicated a self-enclosed and

essentialist Spanish nationalist identity defined, prominently, in opposition to Spain's peripheral nationalisms (Delgado 2015). The continued (although decreasing) action of the Basque terrorist group ETA enabled the party in government, (now increasingly dissociated, at a strictly symbolic level, from its Francoist heritage), to initiate a process of social polarization against virtually everyone who did not openly support PP's strategy to combat the so-called 'terrorist menace', which included several measures of a more than dubious democratic character.

Thirdly, linked to a reconstituted neo-conservative idea of Spain, the PP administration sought to undertake a radical shift regarding its external alliances. While the PSOE government had positioned the external relations with E.U. countries as the very cornerstone of its international position, Aznar's government sought to enforce their relations with the USA and the UK at the expense of its European counterparts. As an enthusiastic participant in the US-led 'War on Terror', the Spanish government send its own troops to the military invasions of both Afghanistan and Iraq. Although the actual military contingents eventually deployed were remarkably reduced, a new diplomatic stance and symbolic imaginary was at stake well above any other considerations. However, Spanish government's attempt to ground a new proto-imperial project subsidiary to US military interventions was met with strong internal opposition. Numerous concentrations succeeded each other in repudiation of Spain's military intervention in the Middle East under the banner '*No a la Guerra*' ('No to War') in 2003. Moreover, there were as well important mobilizations in 2002-3 in response to the government's infamous response to the oil tanker, named *Prestige*, sank off in front of the Galician coast.

Despite ongoing macroeconomic success in the midst of what seemed to be at the time a boundless process of widespread social development and economic upgrading, social contestation was on the

rise during PP's second term in office. In this context, social mobilizations did not quarrel against the institutional blocks configuring the nature of economic expansion but were mostly motivated by the exacerbated and unashamed neoconservative patriotism embraced by the PP administration (with the exception of the 2002's General Strike), either in its internal dimension, regarding the status of peripheral nationalisms and ETA's terrorist activity, and in its international stance, related to its fervent support to the US's imperial stance.

Three days before the 2004 parliamentary elections, when another electoral victory by the Popular Party seemed to be the inescapable result, the train bombings in Madrid, on the 11th of March, dramatically changed the expected course of events. The government's stubborn insistence to establish ETA as the ultimate designer of the attacks was rapidly contested by massive and spontaneous concentrations on most among the country's main cities, as all of the evidence then available pointed instead towards Islamist cells. Several factors converged here. On the one hand, the government was afraid of being blamed for the attacks because of its support to the Iraq invasion. On the other, it attempted to square the bombings in the reified frame according to which there existed family resemblances between peripheral nationalisms and terrorist activity, an analogy ETA's ongoing activity helped sustained throughout this period. Widespread condemnation of the government's unabashed manipulation gave the electoral victory to PSOE's candidate Jose Luis Rodríguez Zapatero.

Back in office after 8 years of PP's government, the Socialist Party put forward a very audacious and transformative program regarding civil and individual rights, while refusing to affect even in the slightest the then already explosive housing bubble. In this respect, the final balance achieved is ambivalent. On the one hand, it took advantage of a favorable economic environment to advance a very

progressive legislation in certain social aspects. On the other, such modernization of Spanish society came at the expense of the massive housing bubble underlying economic expansion, whose eventual deflation would heavily condition the decades to come. During PSOE's first term in office, several important legislative modifications were introduced, such as passing the right of homosexual couples to marry (Law 13/2005), an Integral Law to combat gender violence (Organic Law 1/2004), a new Law of Equality, which intended to promote gender parity in the public sphere (Organic Law 3/2007) and, above all, a potentially revolutionary legislative innovation, the so-called 'Dependency Law' (Law 39/2006). This last piece intended to establish a universal right to care for all the persons involved in an objective situation of dependency. In an eminently 'familialist' environment such as Spain's, an appropriate implementation of such laudable intentions would have constituted a radical change in Spanish society's organization of social reproduction. Unfortunately, the Great Recession came before the necessary institutional mechanisms were implemented.

However praiseworthy these legislative initiatives undoubtedly were, the truth is that PSOE's resistance to interfere with the interests of Spanish elites inescapably drove the whole social formation towards a precipice. By 2004 there was still scope to progressively diversify the productive model while gradually curbing down the then ongoing housing bubble, as the last years of the upward phase, corresponding to PSOE's first term in office, were the most intense in terms of dragging available resources and fostering private indebtedness to keep on feeding an acquisitive bubble which was irremediably driving the country towards a wholesale collapse.

Those years were marked by high levels of open confrontation between the government, on the one hand, and the ecclesiastic authorities and the Popular Party, on the other. PSOE's progressive cultural politics were strongly confronted by the Right and its various

associated collectives, the latter partaking of numerous rounds of active mobilization. Issues such as homosexual couples' right to marriage, the legalization of euthanasia, or a new, less restrictive, abortion law, brought thousands to the streets during those years (Carmona, García, and Sánchez 2012). Moreover, a reinvigorated Spanish nationalism continued its traditional belligerence with peripheral nationalist movements, now with Catalunya occupying the role previously played by the Basque country, because of the passing of a new Statute of Autonomy that would have broadened the degree of the region's self-government.

Again, social antagonisms were systematically concentrated in various issues related to traditionalist values and nationalist sensibilities while leaving the underlying SSA relatively untouched. However, by the time economic expansion was interrupted with the onset of the Great Recession, the climate of generalized social consensus that had dominated Spanish society during the years of economic prosperity soon began to unravel, throwing into light the manifold malfunctions that could have been successfully kept apart during previous years. To the post-2008 period we now turn.

10. FROM SYSTEMIC TO ORGANIC CRISIS. 2008-2015.

The two previous chapters have attempted to show the extent to which the Spanish SSA was operating successfully for more than a decade in terms of, on the one hand, promoting sustained capitalist activity and profitability over time while, on the other, simultaneously securing widespread social consensuses regarding its idiosyncratic mode of operation. Economic expansion was grounded upon multiple but interrelated disequilibria which, however unexpectedly, were no impediment for temporarily achieving an outstanding performance in certain key macroeconomic indicators. Indeed, it has been argued that the vigor of its economic expansion was directly proportional to the strength and intensity of its underlying contradictions.

Moreover, widespread social consensuses over its specific mode of functioning were definitely attained during those years. On the one hand, the main social processes governing the Spanish SSA's economic expansion were successfully prevented from being politicized, in the sense that its mode of operation was not questioned nor contested to the point of showing the ultimately contingent nature of its particular institutional form. While they were inherently prone to have fostered antagonistic dynamics in the midst of its operation, it was precisely their joint occurrence that which ultimately prevented their contradictory dimension from having finally come into light, as the mutual support offered by them enabled the worst social effects derived from each to be partially attenuated. Social antagonisms were

not at all eradicated but successfully channeled along discursive lines that did not enter into conflict with the main institutional buttresses of the underlying structure. In sum, the Spanish Liberal SSA was clearly successful along the two dimensions we have identified as worthy of analytical attention, i.e. it fostered capitalist profitability while simultaneously securing its social legitimation. Indeed, a virtuous circle ensued, where ongoing capitalist activity and widespread mutual support further reinforced each other.

This chapter explores the way in which the Spanish economic structure underwent an extremely rapid and intense process of institutional decomposition. On the one hand, the various synergies among its institutional components that had been generated during the expansion phase, whose ultimate support was to be found in the self-sustained process of housing prices revaluation, immediately gave way to an abrupt process of institutional breakdown, where its internal disequilibria, far from attenuating themselves through their joint occurrence, further reinforced and accelerated the process of institutional decay. On the other, existing social consensuses were radically disrupted as the material base upon which they had been grounded virtually disappeared. An institutional structure in the course of melting down dragged down with itself existing social consensuses, in turn giving rise to a variety of unsatisfied demands which abruptly entered the public sphere. Moreover, the main social issues around which these various demands coalesced were crucially overdetermined by both the institutional bases that had regulated previous economic expansion and the way crisis management was attempted. It is to the unfolding of the economic crisis that we now turn.

10.1. A FULLY-FLEDGED INSTITUTIONAL BREAKDOWN.

The ‘miraculous’ socio-economic expansion of the Spanish social formation during 1995 and 2007, analyzed in detail in chapter 8

above, ended up turning itself into a collective nightmare. Retrospectively, it is easy to observe that it could not have been otherwise. While economic crises are an inescapable corollary to any sustained process of economic expansion under capitalism, the precise form they take is always heavily dependent upon the specific form adopted by the institutional structure governing its previous expansion (Kotz 2015). The Spanish model, once the utmost envy of its rival capitalist counterparts, was inescapably doomed to break down because of the ultimately self-defeating character of its main institutional elements. However, and this represents the ultimate rationale of the Spanish model's apparent successes, they did manage to self-reproduce themselves much longer than *a priori* should have been expected thanks precisely to, on the one hand, the relations of complementarity and mutual reinforcement generated in the course of its diachronic expansion and, on the other, the contingent interaction with its external environment (singularly, the effects derived from European monetary integration). While their joint occurrence and the mutual support offered by each did certainly prevent their inherently contradictory character from coming to the fore, the latter was nonetheless exacerbated during the upwards phase, and singularly so during the last years of the period (2003-2007). It was only a matter of time that such manifold underlying contradictions would, eventually, lethally overflow the institutional assemblage which their interrelation helped consolidate.

While the ultimate support of the expansion phase was to be found in the relations of complementarity generated during those years among several social spheres, one of them clearly stood out due to the role it played in coordinating the remaining social processes under consideration: the housing bubble. As soon as it started to deflate, as every self-sustained process of asset-price revaluation is sooner or later forced to, other social processes finding support in it were suddenly deprived of their material conditions of existence. Once

patrimonial synergies were brought to an end, a sudden and abrupt process of institutional decomposition ensued, one not circumscribed to one specific area of the social (thus being susceptible of being solved through partial modifications or amendments) but, on the contrary, one which pervaded the whole institutional assemblage, demolishing it in turn.

Two features of the institutional assemblage under consideration help explain why the systemic crisis acquired such singular virulence. On the one hand, the highly contradictory character of the main institutional buttresses regulating economic activity meant that, once their joint reproduction could not be secured any longer, the former was bound to come to the fore by ensuing an abrupt and sudden process of institutional decomposition due to its persistent lack of solid foundations. On the other hand, as noted above, the ultimate key to the Spanish SSA's macroeconomic success resided in the manifold relations of mutual reinforcement generated among its main components, so that, once the element hiddenly knotting together the whole assemblage (i.e. the housing bubble) melted down, existing disfunctions could no longer be deterred from lethally overflowing the institutional architecture of which they were part. Once the virtuous circle grounded upon their shared self-defeating character came to a halt, the accumulation of partial malfunctions in several stages of the capitalist structure accelerated the process of economic decline and institutional decomposition. In sum, the inherently unsustainable nature of the main components of the institutional structure meant that, once its joint reproduction was no longer possible, it was the whole institutional structure that which crumbled down rather than just one of its single components. For that reason, Kotz (2010b : 368) has argued that Liberal SSAs 'tend to produce a *severe* crisis of accumulation'.

As noted in Chapter 6 above, Liberal SSAs tend to harbor intrinsic problems to generate internal demand through 'normal'

mechanisms (i.e. by sharing among competing groups the surplus previously generated within the production process), giving rise to other atypical and/or unsustainable processes through which aggregate demand can be made to grow for a certain period. Recent Spanish experience provides a very good example of the type of institutional breakdown characteristic of Liberal SSAs, where systemic crises tend to take the form of an abrupt process of institutional breakdown, rather than one featuring a prolonged period of macroeconomic turbulences, once its constituent components cannot be reproduced any longer. The short timespan ranging between 2007, when the Spanish economy was enjoying an unparalleled success, and 2010, when the initial implementation of austerity policies seemed to leave it at the brink of collapse, is indicative in that respect.

It must be noted that the systemic crisis of the Spanish SSA, despite being obviously conditioned by the international context, had mainly internal roots. While the latter might have acted as a trigger in the Spanish case, it was nonetheless only a matter of time before the various malfunctions the former harbored unleashed their disruptive force. The Spanish housing bubble had been increasingly reliant upon indebtedness during the last years of the cycle, a proof of which is found in the fact that, contrary to orthodox economics teaching, households' net savings did not even cover their credit needs from 2004 until 2007 (Naredo, Carpintero Redondo, and Marcos 2008 : 78). Once internal sources of liquidity became exhausted in the midst of the growth phase, the private sector required increasing amounts of external debt in order to keep on fostering economic expansion.

In a nutshell, the crisis arose once 'debt stopped renewing itself' (Buendía 2018 : 65). However, despite the triggering effect derived from Lehman Brothers's bankruptcy in 2008, as well as from the ECB's sustained interest rates increases in previous years, from 2% in 2005 to 4,25% in 2008 (Garzón, Medialdea, and Sanabria 2018 : 85), the Spanish construction sector was already showing signs of

exhaustion as early as mid-2007. Indeed, residential investment was the first component of aggregate demand to start its decline, in the third quarter of 2007, although housing prices kept on rising until the first quarter of 2008 (Mateo 2017b). Housing prices revaluation could only continue in the expectation of further future price increases. Once the rhythm of new constructions began to slowdown, and the entry of new investors was interrupted, housing prices could not but start a sustained decline which, in turn, heavily affected the whole structure, for, as noted, the housing bubble was the element silently holding its various parts together.

The interruption of revalorization dynamics in the real estate sector gradually brought down employment levels (last quarter of 2007) as well as the remaining components of aggregate demand. Gross fixed capital formation started its decline in the first quarter of 2008, private consumption started in the second, and GDP in the third. A spiraling process of institutional decomposition and economic activity slowdown ensued, mutually reinforcing each other. In annual terms, GDP grew by 1.1% in the year 2008, the last one recording a positive increase in real terms prior to 2014; households' final consumption fell by -0,7% in 2008 and a further -3,7% in 2009; imports immediately plummeted (-6,3% in 2008, -19,4% in 2009), and Gross fixed capital formation, the ultimate engine of the economic boom from a National Accounts perspective, fell dramatically by -3,6% in 2008 and by -17,2% in 2009. In sum, virtually a year sufficed to abandon the greatest expansionary phase in recent Spanish history in order to abruptly enter a social nightmare with no foreseeable future at the time (see Figure 10.1).

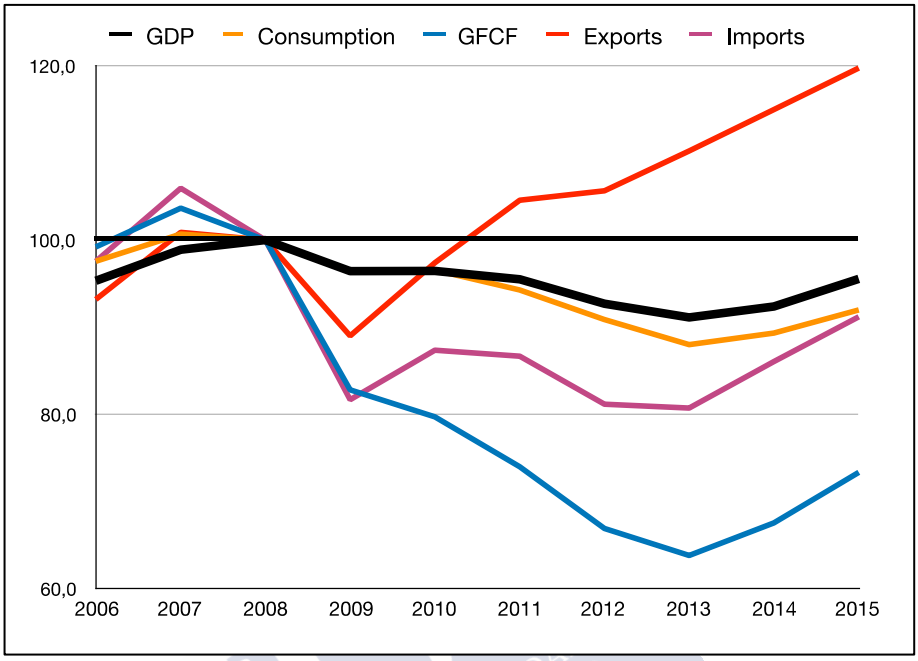

Figure 10.1. Diachronic evolution of GDP and its main componentes, 2006-2015, in volume terms. 2008=100. Source: Spanish National Institute of Statistics.

The extent to which internal demand was affected downwards by mounting levels of over-indebtedness can hardly be over-emphasized. Far from being a temporary slowdown of economic activity, this period corresponds to the beginning of the systemic crisis of the Spanish SSA, further aggravated by the various contradictions which had being developed and magnified during the years of expansion, and whose force was bound to be felt with unheard-of intensity. Such a sudden breakdown of economic activity carried forward an intense process of institutional decomposition, where the main institutional supports of previous economic expansion started to behave in the opposite direction, reinforcing in turn other processes' further reversal. In what follows, a brief account is offered of the extent to which those we had baptized 'individually-contradictory but mutually-

sustaining trends' radically changed, not only their sing but, more importantly, their modality of integration with the remaining ones.

10.1.1. From Employment Growth to Massive Unemployment.

Once the country in Europe featuring the most intense levels of employment creation, with more than 8 million new jobs created during the expansion phase, Spain now became one of the European landmarks regarding job destruction. Between 2007 and 2010, 1,5 million jobs were lost, of which more than a million corresponded to the construction sector, raising the unemployment rate from a low of 8,2% in 2007 to 19,8% in 2010, barely three years later on. In 2013 the rates of both male and female unemployment surpassed the 25%, accounting for more than 3 million jobs destroyed in barely five years (see Figure 10.2). This strong effect on employment was the result of two key structural features of the Spanish labor market during the expansion years. On the one hand, the pervasiveness of fixed-term contracts, which, by constructing a precarious and docile labor force, underlay the flat evolution of real wages during those years, contributed to magnify the effects on employment due to the lack of costs associated to lay-offs. The consequences of Spanish capital's sempiternal preference for temporary contracts as their preferred means of adjustment to adverse economic fluctuations found here their most dramatic expression.

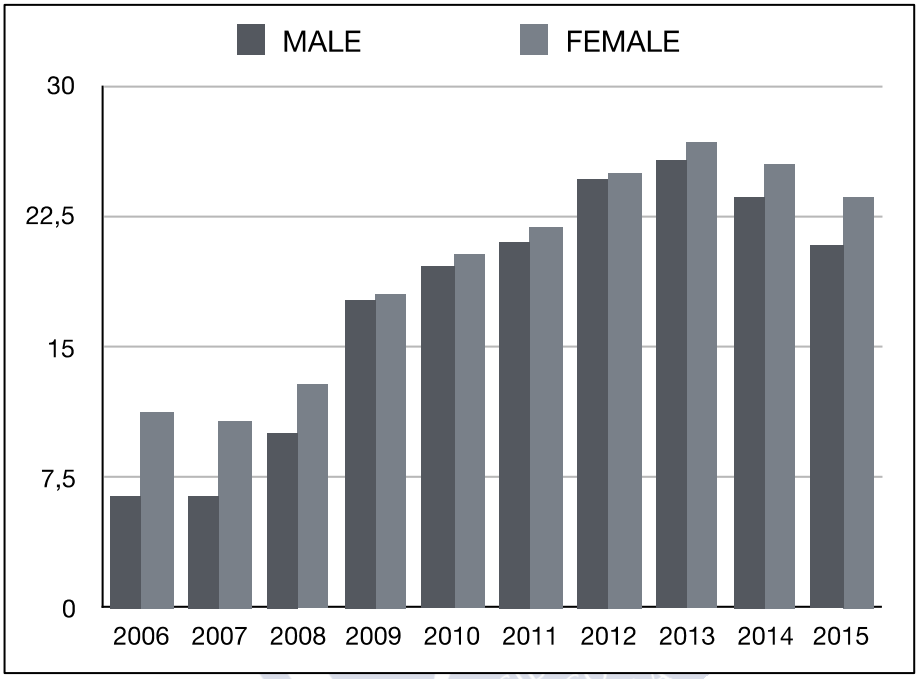

Figure 10.2. Rates of unempolyment by sex, 2006-2015. Source: Spanish National Institute of Statistics

On the other hand, the real estate complex, the sector which first and most intensely experienced the effects of the economic downturn, was not only oversized in terms of employment (it accounted for more that 2,5 million jobs in 2007) but had as well very strong carrying effects upon adjacent industries, so that its abrupt decay further magnified the process of employment destruction (Mateo and Montanyà 2018). Soaring employment further induced households' de-leveraging strategies, thus reinforcing the negative effect upon aggregate consumption levels and, by extension, upon aggregate output. In sum, while some job losses were due to the decline experienced by internal demand in conjunction with a labor market too leaned towards external flexibility practices in times of economic recession, others were in the last instance irretrievable as a result of an

over-sized real estate sector, whose perpetuation was neither socially desirable nor economically profitable.

At the early stages of the crisis the most affected sectors were those of industry and manufacturing, where male workers significantly predominate. However, mainstream narratives initially speaking of a 'man-cession' soon proved to be illusory, as female employment was rapidly affected as well. Not only were female rates of unemployment higher than their male equivalents every year since 2008, but they rose equally rapidly as a result of the full application of 'austerity policies' since May 2010. A reduction of public sector employment heavily affected women's employment opportunities, as women still represent the majority of public sector workers, and the branches where most intense cuts were applied were precisely those where women's presence is significantly higher, such as education, health and social services (Gálvez-Muñoz and Rodríguez-Modroño 2013 : 116).

The decline in capital gains accentuated Spanish capitalism's dependency upon obtaining a successful outcome of its distributive struggle with labor. Under the assumption that furthering internal devaluation strategies was the only route available to Spanish capital's to secure its own economic survival, the labor market reforms of 2010 and 2012, respectively, carried one step forward existing trends towards further labor market precarization. The one corresponding to 2010, with the Socialist Party still in office, had the declared aim of enhancing internal and external flexibility (Ruiz-Gálvez and Vicent 2018 : 113). The reform increased the grounds for fair dismissals, eased the justification of collective dismissals on the grounds of negative temporary results, raised the possibility for business to opt out from wage agreements, and encouraged the promotion of indefinite contracts with lower dismissal compensation. The one corresponding to 2012, already with the Popular Party back in office, was way more radical in its intentions (Banyuls and Recio 2015). It further increased the grounds

for fair collective dismissals; it introduced a new type of contract where costless dismissals could be introduced during the first year; gave an unilateral right to companies to change working conditions and, most importantly; it introduced radical reforms regarding collective bargaining, so that now 'company agreements take precedence over sectoral agreements; companies can unilaterally opt out of agreements; in companies with no union representative it is possible to negotiate with three employees chosen ad hoc (an excellent opportunity for companies to choose their counterparts in negotiations); and the economic effects of collective agreements cease one year after expiry' (Banyuls and Recio 2015 : 54).

In sum, internal devaluation strategies were systematically deployed in order to prevent wage increases from undoing the meagre competitiveness gains the Spanish model was able to generate. Incapable to significantly reduce unemployment levels in the years to come, these reforms had nonetheless a crucial effect upon labor conditions, as manifested in the indiscriminate proliferation of involuntary part-time contracts, temporary contracts, and the generalization of the 'working poor' as the new archetypical figure in the Spanish labor market (Ruiz-Gálvez and Vicent 2018 : 118).

10.1.2. Households' De-leveraging.

During the years 1995-2007 households' private consumption levels grew steadily, despite stagnating wages, by having recourse to soaring indebtedness levels which, in turn, were enabled by the ascending trajectory of housing prices in a background characterized by very high home-ownership rates. As seen in chapter 8, while much of that new amount of debt contracted by households was driven towards the acquisition of existing housing properties, it did enable nevertheless consumption levels to rise by diverting some of those extra funds to the satisfaction of households' other consumption

needs. As soon as the housing bubble started to deflate, the excessive level that households' private indebtedness had reached was suddenly made manifest. Moreover, another imbalance generated during the growth years, besides the absolute levels of debt, resided in the asymmetric quality of assets and liabilities acquired during the process of real estate revalorization. While the value of the amount of debt contracted with financial institutions remains unaffected by the housing bubble deflation, the opposite is the case in relation to the assets (i.e. housing) which those levels of debt were used to finance. As noted by Naredo (2009 : 123), 'the true problem is that, when savings in the form of housing properties, linked to self-sustained price increases, runs the risk of deflating, the opposite is the case with the amounts of debt contracted to acquire the former'.

Households reacted to their excessive levels of over-indebtedness by suddenly reducing their consumption levels since 2008. Aggregate household consumption levels fell steadily until 2013, accumulating in barely five years a 12% reduction since its peak levels of 2008. The necessary counterpart was a sudden increase in their savings rates. As can be seen in Figure 10.3 below, Spanish households decreased their savings rate in a sustained manner up until 2007, the last year of the expansion phase, when it was situated in negative terms. In the last year of the growth phase, no economic sector, save for the public government, was attaining positive levels of saving.

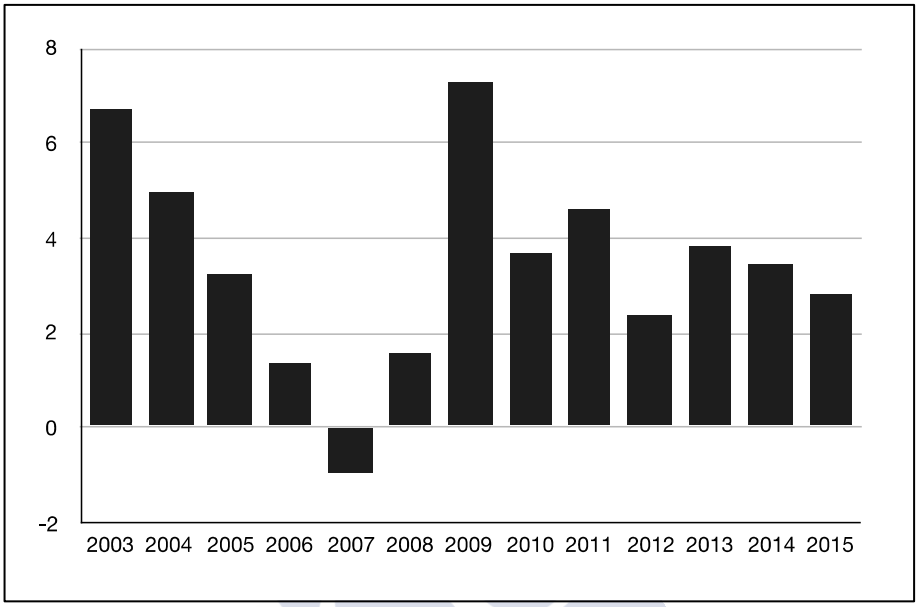

Figure 10.3. Households' savings as percentage of household's disposable income, 2003-2015. Source: OCDE.

Since 2008, a gradual recovery in their saving behavior was initiated in order to gradually reduce their leverage levels. However, just considering the evolution of the savings rate underestimates the actual efforts undertaken by Spanish families, for they were obtained in a context of decreasing households' disposable income and mounting levels of unemployment. The excesses households incurred in during the previous decade had now to be payed back under increasingly strenuous conditions. This combination of decreasing family incomes, increasing levels of labor precariousness and unemployment, and decreasing housing prices (which constituted the bulk of households' wealth) greatly complicated the reduction of their indebtedness levels, requiring in turn increasing efforts to improve their financial position (Carballo-Cruz 2011 : 311), as shown in Figure 10.4 below.

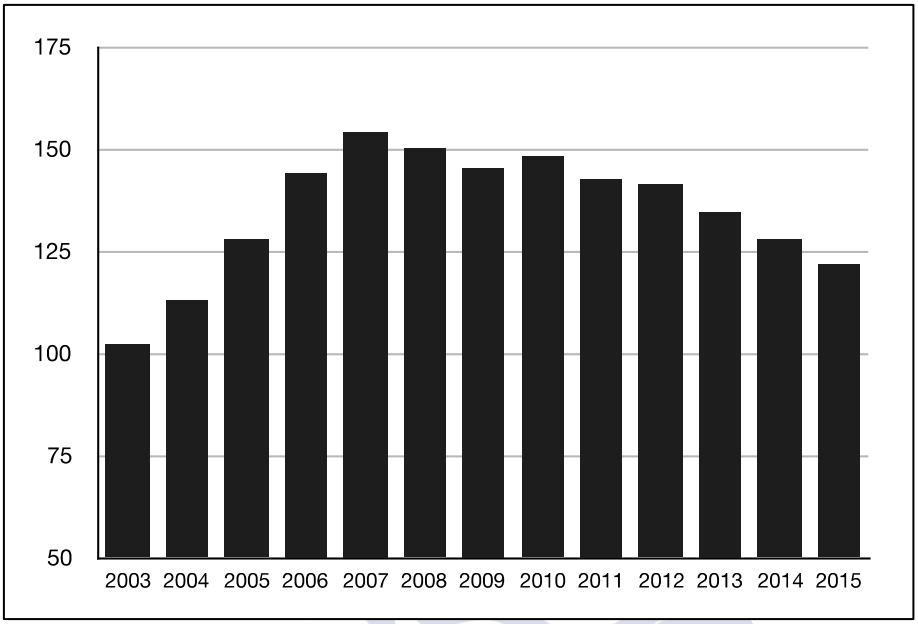

Figure 10.4. Total households' debt as percentage of households' disposable income, 2003-2015. Source: OCDE.

10.1.3. Public Finances and Sovereign Debt Crisis.

During the last years of the expansion-phase, public finances were apparently effortlessly equilibrated while, during those same years, other EU countries had experienced serious difficulties in complying with the Stability and Growth Pact's requirements relative to government deficit and public debt levels. In the years previous to the Spanish SSA's implosion, Spain managed to reconcile fiscal surpluses and very low levels of public debt with intense economic and employment growth. In that sense, Spain seemed to represent the alleged virtues of 'supply-side' economics much better than its neighbor countries. However, the interruption of the various synergies that had sustained economic expansion once the housing bubble started to deflate brought to the forefront its underlying deficiencies.

While Spain had traditionally been a country with low taxes and a correspondingly small Welfare State, an institutional trait that dates back to the Francoist period, the long period of growth until 2007 was not used to its full potential to address these deficiencies (Banyuls and Recio 2012 : 201). Indeed, despite a timid increase in social expenditures during those years, at the end of the expansionary phase Spain remained the country with the lowest redistributive capacity among the EU-15 Welfare States (Buendía, Molero-Simarro, and Murillo 2018 : 135).

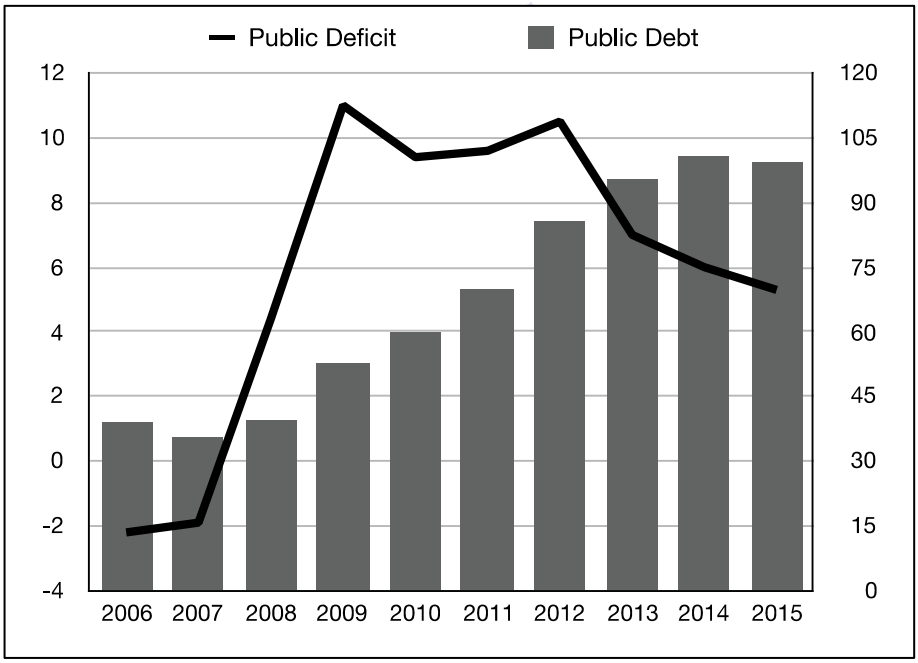

Figure 10.5. Spanish public debt (right axis), and public deficit (left axis), negative means fiscal superavits), 2006-2015. Source: Eurostat.

Widespread capital gains derived from housing prices revalorization not only helped attenuate social pressures for further Welfare State expansion, but also enabled successive downward tax reforms, such as modifications in the personal income tax towards

making it less progressive; a reduction of the corporations' tax rate; or the suppression of the inheritance tax. During the years of expansion, a gradual lowering of its tax base made the Spanish State increasingly dependent upon revenues coming from the construction and real estate sectors. With the onset of the crisis, on the one hand, these sources suddenly dried up when the housing bubble started to deflate and, on the other, government spending was abruptly increased as a result of automatic stabilizers (due to mounting unemployment levels), bank bailouts, and the initial Keynesian-inspired response to the crisis until 2010 (the so-called 'Plan-E'). As a result, fiscal surpluses immediately gave way to enormous fiscal deficits between 2009 and 2013 (see Figure 10.5 above). In response, austerity measures were implemented at the request of the EU in order to receive help to refinance public debt in financial markets. These measures included:

> 'a wage freeze and layoffs in the public sector; a (gradual) increase in retirement age from 65 to 67; an increase in the years of contribution required to access the maxi- mum old-age pension (from 35 to 37); the augmentation of the years used to calculate pensions (from the last 15 to the last 25 years); a hardening in the requirements to access voluntary early retirement; a shift, from 2013, to a defined-contribution pension system, from a defined-benefit system; a reduction in the range of medicines eligible for public subsidy; the out- sourcing of several services in the healthcare sector and the erosion of its universalism (by restricting the access of undocumented immigrants); an increase in the price of childcare services; a reduction in, or the elimination of, certain educational services (such as those focused on students with special needs); an increase in the pupil/teacher ratio; an increase in tuition fees and cuts to grants; and privatization in several

> sectors (such as airports and lotteries)' (Buendía 2018 : 65, see also Banyuls and Recio, 2015))

In sum, a full-scale process of Welfare State retrenchment was implemented, with very serious effects upon both the organization of social reproduction, by effecting cuts in public services, and especially those more directed towards relieving women of their care responsibilities, and State's capacity of discretionary intervention in capitalist markets. In a sense, whereas the initial counter-cyclical programs were designed to support the Spanish capitalist class, mainly located in the construction, real estate, and financial sectors, the implementation of austerity packages since 2010 should be understood as the result of a higher concern with the requirements of European financial capital, manifested in the almost exclusive focus on debt repayment or, one could even argue in light of the evolution of public debt during those years, the generation of new amounts of debt (debt-repayment became a priority over other social needs after a Constitutional reform in September 2011). In the absence of both sustained redistributive intervention on the side of the State and the support offered by capital gains from housing prices revaluation, the inherently antagonistic of Spanish capitalism came abruptly into light. The only institution that remained in place to avert the worst social effects derived from the Spanish SSA was, again, the family, to which we now turn.

10.1.4. Family Economies at the Point of Collapse.

Family economies had been submitted to increasing stress during the long decade of economic expansion. A country where care needs had been traditionally addressed through the widespread availability of unpaid work by women within families was been seriously challenged by soaring rates of labor market participation among

women. In order to cover for those potentially unsatisfied care needs, two different strategies were deployed. On the one hand, low-cost market alternatives were available in the guise of large swathes of immigrants, many among which were to be employed in the private household sector. On the other, support from family networks was deployed, especially by having recourse to women from older generations. In chapter 8 we stressed the unstable character of these care arrangements and the necessity to complement them with a variety of personal strategies, ranging from multi-tasking to birth postponement. As has been customary in previous recessions, women's bodies and efforts represent the ultimate locus where social contradictions are concentrated and where partial solutions are attempted (Ezquerra 2012).

Despite the generalized impression that male workers had been hit the hardest by unemployment, this has not been the case, except for the very first moments of the crisis (see above). A changing socio-cultural context and falling family incomes in a context of generalized over-indebtedness have reinforced women's willingness to remain in the labor market despite mounting levels of unemployment, as observed in the continuous rise of female labor market the participation in the years following the onset of the crisis, the so-called 'additional worker effect'. However, women's higher participation in the labor market has not been fully compensated by higher involvement from their male counterparts in household work and care activities. In this sense, tensions over and within women's bodies have dramatically been amplified, as they face increasingly precarious conditions when they enter the (very segmented along gender lines) labor market, while still lacking support from Welfare State institutions.

Moreover, cuts in public services doubly affect women as they are not only their main beneficiaries but also find themselves employed in those sectors in much higher proportion than men. Therefore, as

stressed by Gálvez and Rodríguez-Modroño (2013 : 120), Spanish women have suffered a triple discrimination in that respect: firstly, because women-led households tend to predominate in the lower echelons of the income distribution; secondly, because women are the main beneficiaries of the public services where cuts had been more intense and; thirdly, because the end result of these austerity programs is to foster a generalized re-privatization of 'care' responsibilities, so that public finances may be alleviated thanks to women's increasing efforts. In sum, 'women, particularly the lowest qualified, may have to choose between the devil and the deep blue sea: looking for increasingly precarious and scarce jobs or exiting the labor market and returning to their gender-imposed home-based roles' (González-Gago and Segales-Kirzner 2014 : 238).

Notwithstanding, the strategy of 're-privatizing' care responsibilities is nowadays less suitable to function without generating strong social tensions. Firstly, support from the extended family might be scarcer than it was in the past, as it is more likely that women from the previous generation might be active as well in the labor market. Secondly, although the household sector has behaved better than other sectors in terms of employment destruction during the first years since the onset of the Great Recession (Ibáñez and León 2014), class divides are amplified as a result of falling incomes, meaning that a higher amount of families will no longer be able to have recourse to the private market, however low-cost, in order to satisfy their care needs. Thirdly, Spanish women themselves might be much less willing to give up their employment opportunities to comply with the traditional gender-roles a 'familialist' environment keeps on attributing to them.

In sum, the main institutional blocks sustaining economic expansion in previous years underwent a fully-fledged transformation. A sharp U-turn in the behavior of all the main social processes is made evident in the brief summary offered here. A social context

featuring ascending consumption levels, fiscal surpluses, employment creation and booming investment levels gave way, all of a sudden, to another featuring opposite dynamics, namely, plummeting levels of capital accumulation, vast public deficits, receding consumption levels, massive employment destruction, and so on. While their respective directions of change have been inverted, the interlocking character of the Spanish SSA's main blocks was not erased, further reinforcing the process of institutional decomposition. The latter could not but contribute to undo the various social consensuses generated during the expansion phase, whose material substratum was now found lacking virtually everywhere. Before explaining in detail how these various social agreements have been undone, it is necessary first to consider the various crisis-management strategies deployed by the Spanish State in order both to safeguard their privileged positions enjoyed by Spanish economic elites and to prevent social discontent with the latter from impeding its full implementation.

10.2 CRISIS-MANAGEMENT: AUTHORITARIAN NEOLIBERALISM AND THE CONSOLIDATION STATE.

So far, we have analyzed the way the Spanish SSA's systemic crisis hastily interrupted what had seemed, by then, the 'normal' course of events. The sudden disruption of the various virtuous dynamics generated during the expansion phase threw its precarious nature abruptly into light. In barely a couple of years, the manifold consensuses, social agreements and silent assumptions that had structured social interaction thus far had proved incapable of making sense of the current situation. The fiction of living within an 'End of History' scenario was no longer tenable, and class divisions seemed to be returning seeking for revenge. As explored in detail in chapters 5-6 above, systemic crises always drag down with themselves the various associated consensuses the previously well-functioning SSA had

fostered regarding both its mode of operation and the various internal cleavages it harbored. That is, systemic crises eventually turn into organic crises.

Moreover, the nature of the underlying SSA heavily influences the type of institutional breakdown to be experienced. Due to the self-defeating character of several among the main social processes driving economic expansion, Liberal SSAs' systemic crises tend to manifest themselves through a fully-fledged institutional breakdown, unlike those derived from their Regulated counterparts (Kotz 2010b). Several consequences follow. On the one hand, the rupture of existing social consensuses gives way to a proliferation of unsatisfied demands generally not restricted to any specific locus within the social, for it is the whole structure that which is shattered at once, rather than just one, or some, of its individual components. Old forms of collective identification will not help make the new situation intelligible, as the social context acting as the former's condition of possibility can no longer be retrieved. As a result, the variety of unsatisfied demands ensuing will be highly heterogeneous among themselves. On the other hand, their emergence is to be quite simultaneous because of the promptitude and abruptness characterizing the institutional breakdown, while the existing order will be significantly ill-suited to properly confront them, itself immersed in a downward spiral of institutional decomposition. In sum, the type of organic crisis experienced can be readily assimilated to what we have termed above 'populist situations', i.e. a social scenario marked by the simultaneous emergence of a wide variety of heterogeneous demands the existing order is unable to deal with in an orderly and successful manner.

The course events followed after the beginning of the Spanish systemic crisis closely conforms to the scheme presented immediately above. The intensity of the economic breakdown dragged down with itself existing social consensuses in barely a couple of years. As noted above, the element holding together the different parts of the social

structure within a 'middle-class' consensus had been, in the last instance, the capital gains generated in the real estate sector, so that their abrupt reversal not only forced the interruption of coexisting social processes' successful interaction but forced the dissolution of existing hegemonic articulations as well, in turn spreading several unsatisfied social demands over the social arena. In this context, Spanish capital was, and continues to be, significantly ill-suited to put an end to the crisis along continuist lines due to the severity of its internal malfunctions, a problem further aggravated by the restrictions operative over the state's discretionary capacity derived from EMU membership. Despite the reversal from economic boom to economic decay taking place within a very short time span, two separate phases ought to be nevertheless identified regarding the crisis-management strategies undertaken, the turning point being located in 2010.

A first stage in the development of the crisis comprises the period ranging from its onset until mid-2010, one which could be provisionally qualified as a 'timid and naive Keynesianism'. Two main features characterized the initial response to the outbreak of the crisis by the Socialist administration headed by Rodriguez-Zapatero. On the one hand, it was marked by an excessive optimism, close to outright 'negationism' at the very early moments, regarding the true causes of the economic breakdown and the existing possibilities of a recovery in the upcoming future. Displaying a strong belief in the alleged strengths of the Spanish model, the initial turbulences were thought to be deriving from existing credit restrictions in international markets negatively affecting an otherwise healthy economic structure. While such an optimistic stance was ultimately grounded in the fact that the Spanish banking system had remained relatively unaffected by US toxic financial assets, they ignored the extent to which the former had been generating their own. On the other hand, consistently with their belief that the initial manifestation of the crisis reflected but a temporary slowdown of economic activity, the government attempted

a timid Keynesian-inspired response along markedly continuist lines. These measures included, among others, a 400€ universal rebate in the income tax; the elimination of the property tax; a lumpsum payment per each newborn child (so-called *cheque-bebé*); and, above all, an expansionary, demand-led stimulus plan, the so-called 'Plan-E' (*Plan Español para el Estímulo de la Economía y el Empleo*).

The latter, passed in late 2008, consisted in around 13 billion € which were given straight to local authorities in order to initiate new construction works, with very little control over the actual social interest of the various projects they were to fund (Bellod Redondo 2015). Indeed, such a strategy responded to two main motivations. On the one hand, it aimed at attenuating massive employment destruction by indiscriminately funding projects irrespectively of its ultimate social and/or economic value, given the overrepresentation of the construction sector within the employment structure. On the other, it aimed at supporting the two economic sectors hit the hardest at the initial stages of the crisis, namely, construction and real estate, where, as already noted, the bulk of Spanish economic elites had successfully relocated to in the previous years. In the end, this strategy of 'buying consent' through indiscriminate expenditures reflected the influence Spanish elites had in designing policy measures to explicitly fit their needs (Naredo 2010).

The 10th May 2010 signaled a turning point regarding the crisis-management strategies adopted by the Spanish State. Following the indications sent by the EU, the Zapatero administration embraced austerity politics in order to curb down existing external pressures regarding its ascending levels of public debt. The mildly expansionary measures of the two previous years gave way to a new policy-mix exclusively concerned with reducing public debt levels. These measures included a 5% wage cut for public servants; a freeze in pensions; a significant hardening of the conditions required for retirement; or the elimination of the 2500€ lumpsum payment per

newborn child. These adjustment measures were followed by other structural reforms regarding the pension system, the labor market, and a bailout program to support and restructure the baking sector.

These measures were intended to signal international capital markets the Spanish government's utmost willingness to position debt repayment well above any other obligation it might have contracted. As noted, the initial response of the Zapatero administration had tried to reconcile the exigencies posed by domestic capital, implicated in the housing bubble both from the construction/real estate and the financial sides, with the need to offer some support to a population submitted to increasing levels of immiseration. From May 2010 onwards, when the first set of austerity measures was announced, the main priority was to be servicing further debt repayments despite whichever social pressures might appear within the national arena, international financial capital replacing domestic fractions as the State's chief interlocutor. In this sense, the Spanish state was turned into what Streeck (2014a, 2014b, 2015) has termed a 'consolidation state', where its debt repayment obligations take absolute precedence over any other social obligation and where, it follows, international financial capital constitutes itself virtually as the state's only constituency. Ironically, while at the onset of the crisis Spain had featured one of the lowest levels of public debt among EMU countries, its ulterior rising trend (which, in turn, motivated the speculative attacks which forced the initial implementation of austerity policies) was due to, on the one hand, the need to inject vast amounts of money into the very damaged Spanish banking sector and, on the other, to ameliorate the worst social effects of a social scenario which, precisely, unrestrained finance capital helped bring about.

As recent experience illustrates, there is no explicit threshold regarding accumulated public debt levels beyond which international capital markets will react against. Rather, states are demanded the implementation of harsh structural reforms, not out of the need to

address any specific already-existing problem, but in order to show their commitment to comply with financial capital's requirements (Streeck 2014b). In the words of Streeck (2015 : 15, original emphasis): 'The consolidation state [firmly internalizes] the primacy of the state's commercial-contractual commitments to its lenders over its public-political commitments to its citizenry. In short, a consolidation state may be described as one whose *commercial market obligations* take precedence over its *political citizenship obligations*'. In sum, it was a matter of proving international financial capital that the various longings, demands and expectations the national population might put forward in the future would always be of a second-order priority when the state confronts its debt obligations.

In order to resist expected social protests, the Spanish state was reconfigured along increasingly authoritarian lines in order to insulate itself from the former. Its mode of operation strongly resembles what Bruff (2014) has termed 'authoritarian neoliberalism', a concept by which he intends to refer to:

> 'how contemporary capitalism is governed in a way which tends to reinforce and rely upon practices that seek to marginalize, discipline and control dissenting social groups and oppositional politics rather than strive for their explicit consent or co-optation. Such practices include the repeated invocations of 'the market' or 'economic necessity' to justify a wide range of restructurings across various societal sites (e.g. states, households, workplaces, urban spaces), the growing tendency to prioritize constitutional and legal mechanisms rather than democratic debate and participation, the centralization of state powers by the executive branch at the expense of popular participation and other modes of governance, the mobilization of state apparatuses for the repression of oppositional

> social forces at a range of scales, and the heightened pressures and responsibilities shifted onto households by repeated bouts of crisis and the restructuring of the state's redistributive mechanisms' (Bruff and Tansel 2018 : 2).

Turning towards 'authoritarian neoliberal' practices appears therefore as a necessary counterpart to the Spanish state's adopting, as its univocal concern, the implementation of further rounds of austerity policies in order to show international financial capital its full commitment to debt re-payment in whichever future social scenario might ensue. The main features of such an authoritarian-neoliberal turn include the increasing constitutionalization of austerity measures in order to isolate them from potential public discomfort; moralizing the ultimate responsibilities of the economic breakdown while foreclosing any sort of structural explanation whatsoever; discarding material rewards as a route to secure public support, while opting for increasingly punitive strategies instead; and a displacement of social contradictions towards the realm of households and, more crucially, the female body, in response to ongoing processes of privatization and welfare state retrenchment. While these authoritarian tendencies have permeated Spanish neoliberalism through and through, they have nevertheless become acutely accentuated after 2010 and, especially, after the Popular Party came back into office in late 2011 with Mariano Rajoy serving as the new president.

Recent political developments during Rajoy's first term in office testify to the increasingly authoritarian nature of the Spanish state in relation to its population. Clúa-Losada and Ribera-Almandoz (2017 : 32-3) point out three traits which, while characteristic of the internal working of authoritarian neoliberal ensembles, have become singularly accentuated in Spain since 2010. Firstly, increasing recourse has been had to the constitutionalization of austerity

measures in order to make them immune from political debate and contestation, as made paramount in the reform of the Spanish Constitution undertaken in 2011, through which the obligation to achieve budgetary stability as well as the preeminence of debt repayment over any other type of expenditure were legally inscribed. To add insult to injury, the reform was agreed by the two main parties by then (PSOE and PP) in the midst of August and with no traces of public debate over its alleged social desirability. Secondly, there has been a growing judicialization of politics, as seen in the increasing role played by the Constitutional Court in enforcing austerity measures over Regional Parliaments, where most Welfare State entitlements are administered (prominently health, education and social services). This is coherent with the consolidation state's tendency to achieve budgetary balance by introducing cuts in the area of discretionary, a opposed to mandatory, expenditures (Streeck 2015). Thirdly, the growing use of Royal Decrees to pass legislation, even in the absence of parliamentary opposition, shows a stark trend towards emptying Parliaments of their legislative functions while transferring them to the executive branch of the state, in turn accentuating the latter's democratic deficits (to say the least).[40] These various measures, therefore, converge in insulating economic restructuring from public debate and accountability, preventing popular struggles from interfering with the State's gradual submission to international finance capital's requirements.

Other recent developments consistent with these trends should be added, such as, on the one hand, the passing of the so-called 'Gag Law' (*Ley Mordaza*, Organic Law 4/2015), 'which significantly restricts and to a degree criminalizes the freedom of assembly and protest. This includes being disrespectful to police officers and trying to prevent an eviction from taking place, i.e. far removed from more

[40] Despite enjoying an absolute majority in Parliament, the Rajoy government passed the 33.8% of its legislation by Royal Decrees (Clúa-Losada and Ribera-Almandoz 2017 : 33).

traditional notions of 'public disorder'' (Bruff 2016 : 114). Authoritarian neoliberalism's drive to enforce consent to its rules through the indiscriminate application of state violence is made paramount in this respect. On the other, the implementation of the Labor Reforms of 2010 and 2012, respectively, should also be regarded as part of this increasingly punitive strategies, as they explicitly sought to further individualize labor relations in order to install Hobbesian-like dynamics of competition among workers, so that they would be discouraged from partaking of collective action (Banyuls and Recio 2015 : 54).

These various policies implemented to safeguard the material and symbolic preeminence of financial capital displaced the social effects of manifold social contradictions towards the household sphere. At a time when social necessities were multiplying everywhere, and public resources to potentially confront them were dramatically receding, their satisfaction could only be attained in the highly-gendered private sphere of the family. Labor market ongoing degradation, successive cuts in public services, and the widespread multiplication of situations of exclusion and material deprivation over the whole social structure, require both more intense affective support by kin networks and the re-privatization of various previously-marketized activities, reinforcing in turn existing divides along gender and class lines. These, in a highly familialist culture such as Spain', can only mean further pressures being placed upon women's shoulders.

10.3 DISRUPTING SOCIAL CONSENSUSES THROUGH SPREADING UNSATISFIED DEMANDS.

The early moments after the onset of the Great Recession were characterized by significantly low levels of social contestation. Despite plummeting economic activity being manifested as early as 2009, the severity shown by the economic breakdown was not

immediately translated into a demolition of existing hegemonic consensuses and understandings. The generalized social belief in the alleged virtues of the Spanish model proved significantly resilient, while the 'middle-class' imaginary and its associated symbolic and emotional attachments took some time to degrade themselves. Their temporary resilience was supported by the initial 'timid and naïve Keynesianism' deployed by the PSOE administration, which served not only to partially attenuate the worst social effects of a social structure already crumbling down, but also, and even more crucially perhaps, to reinforce the social perception of a state firmly committed to defend the material conditions of existence of its population. Moreover, the strength of the economic breakdown left many thunderstruck, for the hegemonic frames articulating social meaning could not help them make sense of the new situation in the slightest.

This situation was radically altered with the government's shift in May 2010 in its crisis-management strategies, now exclusively concerned with servicing international financial capital's needs. The announcement of the first round of austerity measures meant that, at a symbolic level, the crisis finally made its entrance into existing hegemonic articulations. From that point onwards, no longer the alleged virtues and strengths of the Spanish model could be counted upon to help people protect themselves against the vagaries of the ongoing economic breakdown. As a result, the set of social expectations and consensuses harbored during the expansion phase were indelibly broken.

The perception that not all of the agents implicated were actually paying for the consequences of the crisis was made apparent in the very asymmetrical way in which social costs were being distributed over the population. The 'perverted Rawlsianism' implicit in the Spanish 'middle-class' imaginary, according to which all were to improve their respective material condition, albeit at different rhythms, was definitely discredited as soon as it was made apparent

that it was no longer a matter of different rates of change within a common historical continuum but, rather, one of antithetical trajectories where economic and political elites undoubtedly had the upper-hand. Moreover, there was a whole generation which, having been brought up surrounded by the 'middle class' consensuses characteristic of the CT imaginary, had absolutely nothing at hand with which to make sense of their current situation. It took exactly one year for the crisis, whose gravity had been symbolically recognized in its proper dimension as late as May 2010, to eventually disrupt social consensuses by giving birth to a new social imaginary in the guise of the 15M or '*indignados*' movement. By that time, the systemic crisis had finally turned into an organic one.

The 15M movement was initially sparked by a relatively small demonstration in Madrid the 15th of May 2011, called by a recently-formed collective named *Democracia Real Ya!* ('Real Democracy Now!'), in order to protest against the management of the crisis along austerity lines. Harsh police repression at the point where the rally was meant to conclude (Madrid's centric square 'Puerta del Sol') once some of its participants, drawing inspiration from the mobilizations that had taken place at Tahrir Square, in Egypt, decided to attempt to camp there, led its participants to call another demonstration the day after. By the 17th a vast camp had already been formed in the square, where thousands of people had gathered, constituting in turn several assemblies and commissions to discuss various different topics, from the economy to the political system, from feminism to environmentalism. In a matter of days, similar dynamics had spread all throughout the country, where virtually every major city harbored its own camp, articulated among themselves mostly through social networks and ICTs (see Rodríguez 2016b).

The 15M movement was a true event, in the sense of being impossible to be read off from an analysis of the then current situation, radically disrupting the ongoing course of affairs by opening

up new routes of political contestation while plaguing the social arena with both new questions and novel ways to answer them.[41] Nevertheless, however unexpected it was even for the participants themselves, it did not come out of nowhere but was fed instead by previous rounds of mobilization and a previously-existing culture of social movements, chiefly the activist networks developed within the anti-globalization movement and past university struggles (Flesher-Fominaya 2015; Antentas 2015).

Its influence in Spanish politics can hardly be overstated. The implementation of austerity policies initiated in May-2010, just one year before the 15M pacific insurrection took place, which reinforced the downward spiral in which a social structure abruptly crumbling down was already immersed, constituted a tremendous 'dislocation', in Laclau's (1990) sense, to existing hegemonic articulations. Old narratives and expectations did not offer any chance of making the current situation intelligible to the various social groups involved, while existing consensuses were entering a process of rapid dissolution as their ultimate material conditions of possibility could not be found anywhere since the onset of the Great Recession. In the absence of new narratives susceptible of inscribing, at a symbolic level, the nature of the current conjuncture, virtually all that could have been found was disorientation, distress and astonishment everywhere. To this situation the 15M movement managed to put an end.

Such a dislocated structure remained in need of new narratives that could inscribe, at a symbolic level, the nature of the current conjuncture, and the 15-M rebellion provided precisely this. In the words of La Parra-Pérez (2014 : 45): 'The 15M movement introduced into the political arena a new critical vocabulary which, starting from a denunciation of the dominant crisis-management strategies at both

[41] The notion of 'event' we are entertaining here owes much to the work of Badiou (2007, 2010)

the national and European arenas, was capable of channeling a systematic objection to Spanish parliamentary democracy'. The movement did so by denouncing the utterly post-political and socially regressive strategies deployed by Spanish elites to overcome the crisis, while denouncing an equally dramatic divorce between political elites and its represented. The great level of consensus exhibited by the main political actors (i.e. *PSOE* and *PP*), regarding both the nature of the economic breakdown and the policy measures that needed to be taken, stood in stark contrast with the high levels of socio-political disorientation present within the population. Before the movement erupted, the only worldviews that had actual access to the sphere of representation, and which were thus available to the masses to make sense of the situations they were immersed into, were those holding what we have termed, following López and Rodríguez (2010), 'middle class' positions. However, what ultimately sparked social contestation was the utter inability of those worldviews to sustain themselves as the material processes that had been acting as their conditions of possibility were being abruptly demolished. While the movement's refusal to self-identify itself within the Left-Right divide led many to discredit it on the grounds of it being an a-political movement (e.g. Bauman 2011; Žižek 2012), such interpretation is, in our view, completely misplaced.[42]

The 15-M rebellion was eminently political insofar as it did put forward a new narrative regarding the nature of the current situation which enabled, in turn, various other social requests to enter the political arena by taking the former as their frame of reference. It did so not so much by bringing up new words and concepts but, on the contrary, by succinctly reappropriating several terms around which

[42] 'Far from being depoliticized or apolitical, the indignados rebellion showed an unusual degree of politicization, albeit one that was contradictory. It would be erroneous to interpret "they don't represent us" in a depoliticized sense, as an "anti-politics" criticism. In reality, it was a politicized criticism of politics as it exists today' (Antentas 2015 : 146).

mainstream narratives of the 'Spanish normality' had been anchored (Errejón 2011a). This process of re-articulating what Laclau (1996b) terms 'empty signifiers' is precisely the hegemonic (read political) operation *par excellence*, enabling in turn the proliferation of new readings of the current situation ready to enter the hegemonic struggle. For instance, while according to the by-then dominant common-sense, democracy meant little more than voting every four years while silently accepting capitalism as 'the only game in town', demonstrators replied with slogans such as or '*Lo llaman democracia y no lo es*'.[43] Against the official, moralizing, and incriminatory narrative that Spanish citizens had been living beyond their means, the squares all throughout the country were now shouting '*No es una crisis, es una estafa*'.[44] In response to the implementation of austerity policies in order to save international capital, they claimed '*No somos mercancías en manos de políticos y banqueros*'.[45] Moreover, it managed to successfully counteract authoritarian neoliberalism's individualizing and moralizing strategies, on the one hand, by proving to its participants that what they might have perceived as individual problems resulting from their previous wrong behavior had indeed systemic roots and, on the other, by transforming what otherwise would have been individual strategies of resistance into a collective political subject through the very experience of the struggle itself (Espinoza-Pino 2013). In the words of Antentas (2015 : 142), 'the *homo indignatus* thus replaced the *homo resignatus*'.

Moreover, while some have argued that within the 15M movement two different 'souls' coexisted, one more politicized and another with more 'reformist' inclinations (Taibo 2011), the radicality of the movement cannot be measured through a literal analysis of their self-professed claims. Even those who were demanding a return to a

[43] 'They call it democracy, but it is not'.
[44] 'It is not a crisis, it is a scam'.
[45] 'We are not commodities in the hands of bankers and politicians'.

truly meritocratic and equitable form of capitalism by 'purifying' actually-existing Spanish capitalism from its alleged excesses (manifested in the ongoing proliferation of corruption scandals prominently affecting the Popular Party), were inadvertently pointing towards the right crux of the matter. While such a Nordic-type of capitalism definitely existed in their respective worldviews, their apparently 'soft' critique of the causes and effects of the economic crisis was nonetheless a tremendously radical one insofar as if you deprive Spanish capitalism from its corruption-like excesses, you are left not with a Nordic type of capitalism *à la* Sweden, but with nothing instead (see Naredo 2019).

While the crowds gathering in the squares were certainly inter-generational, there was nonetheless one social group who stood up among the rest, both in number and in organizational capacity: 'The 15M movement was dominated by the sons of the middle class' (Rodríguez 2016b : 34), that is, people in their 20s and 30s who, having been brought up within the social consensuses accompanying the success story of Spanish neoliberalism, were suddenly thrown into a reality against which they had neither material nor symbolic resources to confront. Their contestation of the existing order was animated by the exacerbation of two of the main latent contradictions present within the Spanish model already since the years of expansion, finding therein their ultimate rationale.

On the one hand, the Spanish model had been reinforcing a stark generational divide regarding the availability of labor market outcomes, where relative protection offered to the (male) breadwinner stood in stark contrast with the levels of precariousness to which the younger layers of the workforce were submitted to. This situation was partially attenuated during the expansion phase thanks, prominently, to family support. On the other hand, another key contradiction was that between showing one of the highest rates of involvement in tertiary education among EU countries, while simultaneously

supporting a growth path which strongly and systematically limited the amount of jobs fitting those same qualifications. This situation served nonetheless systemic reproduction requirements as it helped disguise increasing levels of precariousness among the young as merely a transitional stage in their life courses, by building upon the reified association, developed during the Francoist period, according to which a university degree constituted a one-way ticket towards future de-proletarianization. The dramatic situation this generation was living in the immediate aftermath of the Great Recession interpellated a much broader audience as it condensed, in a social figure enjoying significantly high levels of social visibility, the manifold institutional failures and failed promises of the decaying Spanish model. Rodríguez (2016b : 44) explains this in a fragment worthy to be quoted at length:

> 'What were those boys and girls occupying the squares during the 2011 spring standing for? (...) [They] represented the discomfort of the central figure of the Spanish social formation. (...) Through their demands for democracy, their outcry against corruption and financial dictatorship, in their sympathy towards, and participation within, the housing movement and, especially, in the unfair image of a truncated future despite having done all that was required (study, effort), the rupture of the elementary social promises that had sustained the weak Spanish social formation was made manifest. The ruins of meritocracy were also the ruins of the middle class and, for the latter, the ruin of the democracy so painfully achieved in 1978'.

In sum, the situation they were publicly denouncing was utterly inapprehensible from the perspective of the previously dominant hegemonic frames, ones which nonetheless assigned to them very high

levels of social visibility, thus preventing a reading of the claims they were advancing in the squares as merely sectorial demands. In a sense, despite being inevitably partial, they became universal in both their complaints and their aspirations. This is, precisely, Laclau's hegemonic logic at its purest.

While the movement was eventually dissolved, and austerity policies kept on being implemented, a fundamental change was nevertheless accomplished within Spanish contemporary politics. The monopoly Spanish elites had over symbolic representations was drawn to an end, and their capacity to keep on setting the political agenda severely curtailed. In a sense, the 15M movement helped consolidate the social legitimacy of a new normality to come. People eventually left the squares, but contemporary common sense had been irremediably damaged, and through its wounds several further political expressions were to emerge. As argued through and through, the aesthetic dimension of politics, in the sense Rancière gives to it, should never be downplayed. The squares got finally dissolved in June-July 2011, and the most active members of the occupations took a new de-centralizing agenda by moving to local and neighborhood assemblies. The momentum gathered at the squares in several Spanish cities did not immediately vanish once the latter were eventually abandoned but, quite the contrary, gave way to a very intense cycle of protests and mobilization. The 15M enabled it through two interrelated channels.

Firstly, new strategic routes were taken in the aftermath of the squares' dissolution which explain the impulse taken by further protest movements. As noted by Portos (2017), two mechanisms should be highlighted. On the one hand, by shifting downwards its scale of action to the local level, lower degrees of visibility were certainly obtained but, simultaneously, a more locally-sensitive and pragmatic approach to political interaction was enabled beyond the eminently pre-figurative type of politics entertained at the squares.

This permitted in turn advancing more specific demands, where satisfaction was easier to be obtained, while also broadening the range of tactics susceptible to be implemented. On the other hand, the anti-unions stance of the 15M movement's early moments gave way to intermittent collaborations with existing trade unions (for instance, in organizing the two General Strikes in 2012).[46] While this helped the movement reach a much larger audience, it did also force it to contain existing drives towards a radicalization of the tactics deployed, helping in turn secure very high levels of support among the population (Portos 2016).

Secondly, the 15M movement consolidated a different narrative regarding the ultimate nature and causes of the current situation by reference to which further rounds of social contestation were to be framed. The events of May acquired a 'mythical' character, in the sense Laclau (1990) attributes to it: 'Myth is thus a principle of reading of a given situation, [which sutures a] dislocated space through the constitution of a new space of representation, [which] involves forming a new objectivity by means of the rearticulation of the dislocated elements'. By framing themselves through the worldviews produced and disseminated during May events, several other social demands were made intelligible to vast segments of the population, an intelligibility that would have been impossible to attain in case the only frameworks available were the pre-2011 hegemonic configurations of meaning (those we have referred to under the term *CT*). In sum, a subsequent cycle of protests ensued, with singular intensity in the years 2012-3. While the expressions this cycle took were manifold, we will focus here upon the two we consider to be the

[46] Commenting upon the 15M's movement disaffection towards union activity, Antentas (2015 : 149) writes: 'This criticism was not always well defined and should be generally interpreted as a malaise in view of union passivity, although in some particular cases it might have hints of rather individualistic anti-unionism. That is a good example of how social movements often combine "progressive" and "regressive" features at the same time'.

most relevant and/or significant to our purposes, namely, the so-called '*mareas ciudadanas'* ('citizens' tides') and the anti-evictions platform PAH.

The 'tides' were large citizen movements that organized several marches against privatization policies, and austerity politics more broadly, with different colors identifying different sectors of activity. The two most important were the 'white' tide, from the health sector, and the 'green' one, from education, two of the sectors where privatization and downsizing had been operating more intensely along austerity-induced lines, although many others had been registered, such as the 'black tide' for public servants; the 'orange tide', for the social care sector; the 'violet tide' for feminist and LGTB collective, and so on (Portos 2016 : 201). The former emerged as a response to the ongoing privatization processes of public hospitals and the increasing distress to which public sector workers were submitted to as a result of budgetary cuts. The latter, initially spurred by budgetary cuts in education, led to two nationwide strikes as a response to the government's passing of a new Education Act (LOMCE) (Portos 2016; Romanos 2017).

Certainly, the neoliberal drives towards public sector dismantling operating here had already been active in the Spanish social formation in previous years. For instance, health services' privatizations had already become prominent during the last years of the expansion phase, especially in those regions being governed at the time by right-wing administrations such as Catalunya, Madrid, or Valencia (Carmona, García, and Sánchez 2012). It was noted above how the Spanish population stood out among its European counterparts regarding the level of social support to Welfare State institutions, despite the latter being the one with the lowest redistributive capacity during the growth years (Calzada and del Pino 2011; Buendía, Molero-Simarro, and Murillo 2018). However, once housing revaluation dynamics were drawn to a halt, existing trends towards

welfare state impoverishment could no longer be disguised through artificial means, fostering social contestation in turn.

While heterogeneous among themselves regarding the means deployed, their programmatic objectives and the actual amount of people gathered in the marches they called, several points of commonality among them can be nonetheless identified. 'First, they were developed regionally, with weak coordination nationwide (…), second, they were organized through unitary assemblies and represented a true exercise in self-organization; third, official unions (…) played an important role but their leaderships were to a large extent bypassed (…), fourth, rank-and-file unions played a significant role (…) fifth, the tides saw the joint mobilization of different worker categories within the same sector' (Antentas 2017a : 117). In sum, they represented a process of collective empowerment which, although highly defensive regarding their motivations, they did show nonetheless that Spanish elites' political program could be successfully counteracted through collective action and mobilization.

The other experience of collective action we would like to call attention to is the emergence and consolidation of the anti-evictions' platform PAH (*Plataforma de Afectados por la Hipoteca*, 'Platform for Mortgage-Affected People'). The PAH is a social movement comprising several horizontal, autonomous, and non-party-affiliated local assemblies throughout the Spanish territory. While formed in Barcelona in 2009, it started to grow exponentially after the irruption of the 15M movement in 2011 (Antentas 2017a; de Weerdt and Garcia 2016). While autonomous among themselves, the various assemblies share both programmatic objectives and a repertoire of insurgent practices.

All PAH assemblies share three non-negotiable demands (García-Lamarca 2017b : 426): firstly, a retroactive change of the Spanish Mortgage Law, so that outstanding mortgage debt can be cancelled off by giving the property to the bank in return; secondly, putting an end

to all evictions of family's principal homes, and; thirdly, to transform the many empty building in the hands of private banks into social housing dwellings. Besides public opinion campaigns and other related actions directed towards gaining higher visibility, the PAH makes use of several tactics to alleviate the housing problems suffered by the worst-off (García-Lamarca 2017a). Firstly, collective assemblies are held regularly where social activists share thoughts and experiences with people facing mortgage foreclosures and evictions. Rather than providing ready-made advices, the assemblies aim at empowering the people affected by collectively stripping them of fear and guilt, debunking moralizing narratives of victimhood in order to give way to proper political action, one which both displays and assumes the systemic roots of current social problems around housing (Di Feliciantonio 2017). Secondly, a common practice is to try to stop evictions, when assembly-participants shield the building-to-be-evicted with their bodies, impeding the entry to the police. While this is a temporary measure, PAH activists, together with the affected person, try to secure a better deal with the bank during the extra-time gained after the eviction has been successfully blocked. Thirdly, squatting empty buildings in the hands of banks in order to satisfy the needs for housing of those who lack any other suitable alternative (the so-called '*Obra Social*').

The manifold actions conducted by PAH activists all shared a twofold objective. On the one hand, to offer an immediate material response to the needs of those most affected by ongoing housing repossessions. On the other, to radically affect the conditions of visibility through which those same problems are collectively framed. In this sense, the activities undertaken by the PAH condense political action at its purest: firstly, because they redraw the very symbolic frames regulating social interaction and material exchanges; secondly, because they promote collective self-empowerment while refusing to introduce new hierarchies within the constitution of political subjects,

which, in turn, are given shape by the experience of the collective struggle itself, and; thirdly, by transforming what were initially felt as a myriad of individual problems into systemic responsibilities, while highlighting the core systemic contradictions of the Spanish social formation.

By late 2013, however, the climate of social contestation was beginning to recede (Portos 2016). While the hegemonic dispute was far from concluded, austerity policies kept on being implemented, and a certain feeling of disillusionment started to disseminate among the movement' most politically active members. In this context marked by receding levels of social contestation, the Spanish political landscape suffered another radical change with the emergence of a new political party, Podemos, which was to alter dramatically the existing correlation of forces within the State institutions, signaling in turn a shift from mostly insurrectional political initiatives to a gradual process of institutionalization. In a sense, Spanish politics became less Rancièrean and acquired a more Laclauian stance (see Rey-Araújo 2018). A new stage of the organic crisis was thus initiated.

10.4 The Emergence of *Podemos*. From the Squares to the State.

In January 2014 a new political party was launched by a group of intellectuals and social activists in collaboration with a small anti-capitalist party *Izquierda Anticapitalista*, and headed by Pablo Iglesias, an already well-known figure thanks to his recurrent appearance in TV shows speaking against the further implementation of austerity policies (Gómez-Reino and Llamazares 2015). In spite of lacking a well-established party structure, the upcoming elections to the European Parliament to be celebrated in May 2014 represented an optimal occasion for the new party to enter the Spanish political scene. On the one hand, almost two years had passed since the last nation-

wide elections, so that the electoral consequences of the new political climate born after the emergence of the 15M movement were still to be felt. On the other hand, the second-order character of these elections made significantly more likely a 'punishment vote' to the two main parties, while these elections' unique circumscription enhanced the electoral consequences of the former (Fernández-Albertos 2015). Contrary to all expectations, Podemos managed to obtain an 8% vote share, disrupting existing political alignments by positioning itself as the fourth most voted party in the country.

As many analysts were quick to point out, the electoral irruption of Podemos can hardly be appraised without taking into due consideration the legacies of the 15M movement for, in a sense, it ought to be understood as a response to both the successes and failures of the cycle of social unrest sparked by the 15M movement. On the one hand, the political cycle thereby initiated was at the point of becoming exhausted, inasmuch as it had not managed to coalesce into organizational means capable of putting an end to the indiscriminate application of austerity policies. On the other, the 15M movement had nonetheless seriously disrupted existing hegemonic articulations to the extent that social and political elites were undergoing an unheard-of crisis of social legitimacy (Sola and Rendueles 2018 : 102; Antentas 2017b : 472). However, while undoubtedly overdetermined by the new political scenario opened up in Spain by the emergence of the 15M movement back in 2011, it was nonetheless utterly irreducible to it. Under no circumstances can Podemos be understood as an implicit and/or straightforward consequence of the 'indignados' movement. The latter ought to be understood as a 'dislocation' experienced by those hegemonic configurations of social meaning at the moment, that is, an event which the former could not satisfactorily integrate within its own associated explanatory frameworks, forcing in turn their further dissolution and fragmentation while, simultaneously, drawing novel rearticulations among its constituent elements (Errejón 2011a),

whereas the emergence of Podemos ought to be read as an ungrounded decision, in the Derridean sense of the term which, by taking advantage of existing dislocations, nonetheless imprinted upon them a new shape which could not have been read *a priori* from the dislocated structure itself (see Laclau 1990).

Moreover, Podemos unevenly re-appropriated several among the 15M movement's key traits. On the one hand, several continuities definitely exist among them, such as unashamedly pointing to political and economic elites as the main culprits of the crisis, an accusation which Podemos discourse encapsulated through the term '*la casta'*; an emphasis upon corruption as the main malaise pervading the political system; the resignification of 'democracy' as lying beyond mere electoral contests, thus foregrounding a new political identity anchored around a novel understanding of 'citizenship' (Gerbaudo 2017) in lieu of class antagonism; and a reception of the 'horizontalist' drives of the 15M movement, as manifested in the proliferation of the so-called '*Círculos'*, which were to constitute Podemos's local cells or nodes. However, important departures from the legacy of the 15M comprise, prominently, the ultimately top-down nature of Podemos's intervention and, above all, the decision to enter the sphere of political representation.

Confronted by highly disoriented political rivals, Podemos's mixture of discursive novelty and audacity saw it soaring in the polls all throughout 2014. The discursive strategy deployed by Podemos during these early months ought to be identified as a left-wing 'populist intervention'. To briefly recap, we use the term 'populist intervention' to refer to discursive attempts that attempt to bridge together several unsatisfied social demands into a new collective subject by drawing a dichotomous frontier between the existing order, on the one hand, and those who aim at subverting it on the grounds of having been expelled by/from the latter, on the other. In this sense, Podemos's initial strategy can be rightly qualified as 'left-wing

populism' (e.g. Kioupkiolis 2016; Ferrada-Stoehrel 2017; Rendueles and Sola 2018; García-Agustín and Briziarelli 2018) for, while the term populism, in the sense we are using it here (Laclau 2005b, 2005a), refers exclusively to the 'form' the articulation, the contents of Podemos's initial electoral program were undoubtedly left-wing in nature (e.g. refusing to pay illicit public debt, basic income schemes).

Podemos attempted to dichotomize the social field through advancing a popular identity ('*el pueblo*', '*la gente*'), defined in opposition to the political and economic elites ('*la casta*') or, rather, to the relations of connivance existing between the two in such a way that the autonomy of the former appeared subordinated to the illicit interests of the latter. This way, Podemos attempted to incorporate manifold existing disaffections with the existing social order into a new narrative which, despite being clearly inspired by the claims and demands advanced by the 15M movement, had nonetheless being systematically ignored by the institutional actors with access to the sphere of representation.[47] Singularly, while the term employed to refer to Spanish elites was relatively well-delimited, the other term of the dichotomous opposition was constitutively vague and imprecise, so that the possibilities of incorporating disaffected subjects into such 'chains of equivalence' could be maximized in return. The antagonistic relation between these two poles was over-stressed in order to prevent already-existing political cleavages and loyalties from acquiring prevalence in drawing future political alignments.

Accordingly, Podemos stubbornly refused to position itself in the left-right divide. Far away from post-political technocratic narratives about the end of political cleavages, Podemos's refusal to self-identify as a Leftist party comes from their perception that, were they to do so, they would have been immediately tagged as a 'Radical Left' party (i.e. at the 'left' of the Socialist Party), in turn seriously limiting its

[47] As noted, ironically, by Sola and Rendueles (2018 : 102), there was at that moment an 'electoral market failure' in the Spanish political system.

capacity to draw together a new majority through the novel antagonisms they were putting forward. By putting forward a new dichotomous partition, the opportunity emerged that, by forcing a disidentification from old identity positions a new majoritarian bloc could emerge through such a rearrangement of the socio-symbolic field. Perhaps paradoxically, 'Podemos adopted a Left-wing populist strategy precisely by avoiding any reference to populism and to the Left' (Rendueles and Sola 2018 : 36).

It must be noted that, despite its attempts to dissociate itself from the coordinates of the left-right divide, not only Podemos's voters self-identified themselves as prominently left-wing, but the general electorate perceived them as such as well (Fernández-Albertos 2015). Moreover, despite its strong stance against the further implementation of austerity policies, the majoritarian profile among its voters in the 2014 European Parliament elections did not correspond with the lower echelons of the Spanish social formation but with the dominant profile in the 15M demonstrations instead, that is, young, well-educated, politically active urban voters, whereas, as long as the party saw its potential electoral base being progressively enlarged, those more intensely affected by the economic crisis (or, at least, those self-perceived as such) gradually joined in. However, while abandoning the left-right divide did certainly not serve to attract many not self-ascribed to left-wing populations, it was certainly successful in dragging them to electoral politics under the new label.

The adoption of a left-wing populist intervention throughout 2014 was met with an opposition from already-established parties in the guise of an eminently institutionalist discourse, mixed with paternalist tones. While the populist tone was heavily criticized from the very beginning, the various grievance thereby voiced were mostly understood as an expected consequence of the indiscriminate application of fiscal consolidation measures (Miró 2018). Therefore, Podemos's electoral irruption was generally read by the establishment

forces as a sort of temporary aberration ultimately doomed to vanish from the sphere of representation once the economic situation eventually started to improve. This relatively soft and partially disoriented answer had to coexist with an eminently antagonistic stance voiced by Podemos, as explored in detail by Franzé (2017). According to Podemos's discursive intervention, it was not only a matter of political/economic elites illegitimately using their own prerogatives to their own benefit but, instead, of a whole institutional configuration self-consciously designed to protect the interests of the ruling classes so that, in the last instance, 'conduct and institutionality are imbricated' (Franzé 2017 : 230). Therefore, the relation between Podemos and the whole institutional order, as framed by the former, was an antagonistic one insofar as the claims voiced by the former were presented as unattainable within the institutional contours of the latter, that is, it was not a contention between already-established subject-positions within the existing social order but, on the contrary, one between the social order as such, on the one hand, and the manifold positions rejected from/by it, on the other.

In order to ground their antagonistic stance towards the existing social order, Podemos directed its attacks towards the founding myth of existing hegemonic frames, that is, the post-Francoist Transition towards parliamentary democracy. While the dominant reading of the latter equated parliamentary capitalism with the only democracy conceivable and attainable, embedded in de-politicizing and a-problematic narratives of social interaction (which we had referred to under the term *CT*), Podemos re-framed it as a system of oligarchic rule which had sequestered democracy for the benefit of the elites. This reading of the current situation, one which was not circumscribed to the illicit conducts undertaken by the latter but which, instead, targeted the institutional order that promoted them, was tremendously successful insofar as it managed to incorporate several depoliticized dissatisfactions into the sphere of representation.

In the midst of what seemed by then an unstoppable upsurge in polls, Podemos held its founding congress on November 2014. The tension between 'verticalism' and 'horizontalism' intrinsic to any populist movement was made manifest in the two positions confronted (Kioupkiolis 2016). On the one hand, the sector led by, among others, Pablo Iglesias and Iñigo Errejón, advocated for consolidating a classical party structure, highly vertical and with strong prerogatives granted to the General Secretary. The underlying rationale was that, lacking both experienced cadres and a well-established organizational culture, enjoying a leadership emancipated from internal struggles and negotiations appeared as necessary in order to irrupt successfully into the electoral arena. In the words of one of its founders and foremost ideologues, the goal was to build up a 'machine of electoral war' (Errejón 2014), at the expense of relegating rank-and-file members (organized in local assemblies termed '*círculos*') to outright irrelevance. On the other hand, the competing sector advocated instead for a more horizontal and less hierarchical structure, with mechanisms designed to incentivize public involvement by rank-and-file members into the organization's decision-making, in line with what Kitschelt (2006) has termed a 'movement-party' (Martín 2015). The higher level of visibility enjoyed by Pablo Iglesias, together with an eminently plebiscitary voting mechanism, made the proposals he commanded obtain an immense majority. As a result, the possibility of building an organizational ensemble closely imbricated in civil society was discarded in favor of a centralized political strategy that understood politics as basically electoral work, where communication strategies took prevalence over programmatic discussion, and whose ultimate goal was to alter the existing balance of forces within the State apparatus (Antentas 2017b : 475). From that moment onwards, Podemos was officially born.

Podemos entered the year 2015, one plagued with electoral contests at different scales, holding the first position in most electoral

polls (Fernández-Albertos 2015). From that moment onwards, Podemos attempted to secure its position through an understanding of political activity *qua* electoral work articulated prominently through communicative strategies. This strategy rested upon the belief that the situation of abrupt and widespread institutional decomposition the country was undergoing opened up a 'window of opportunity' to 'seize' the State institutions (Errejón 2011b, 2016), in order to implement a progressive transformative program from above. Such a hypothesis was one of the first readings of the situation opened up by the implosion of the Liberal SSA after 2007 with true strategic value, as it correctly acknowledged the hegemonic depth populist interventions might show in light of the extent to which the social structure was being dislocated at the time. As a consequence, building up a social movement with strong grassroots involvement and local implementation was understood to be too laborious to implement.

This doctrine suffered nonetheless from serious theoretical shortcomings, mostly derived from its lack of engagement with political economy insights, a feature that unfortunately characterizes most strategic analyses prominently based upon Laclauian-inspired theoretical premises, as we have been arguing all through this essay. Whereas a highly vertical organization undoubtedly offered certain advantages in terms of designing a short-term strategy, it severely complicated its own long-term survival in case an immediate access to state institutions was eventually not materialized. A misapprehension of capitalism's internal dynamics, while subsuming every type of capitalist crisis under the common term 'dislocation' (Laclau 1990), prevented Podemos's strategists from appreciating the fact that the current crisis was by no means one crisis among many but, on the contrary, a fully-fledged institutional breakdown corresponding to the systemic crisis of the institutional configuration that had been regulating socio-economic interaction for the previous decades. Moreover, as the latter took the form of a Liberal SSA plagued with

internal contradictions, not only were populist interventions to show a much higher degree of hegemonic depth (an aspect Podemos correctly identified), but the systemic crisis ensuing was to be significantly long-lasting (a crucial aspect they missed).

In consequence, the organizational structure eventually adopted (a highly centralized, hierarchical and bureaucratized one) found its ultimate justification in the need to enter an electoral battle unlikely to be repeated in the future, once economic growth was resumed. However, this 'now or never' social scenario was based upon a wrong appreciation of the actual severity of the systemic crisis. As a result, Podemos became an increasingly self-enclosed communication network with little ties with civil society beyond recurrent TV appearances, a feature that would account to a large extent for its future weakness (Briziarelli 2018).

The negative effects of the political and organizational strategy adopted did not take long to be made apparent, thereby initiating a downward spiral manifested in successive polls on vote intention. On the one hand, opting unilaterally for a highly vertical structure where rank-and-file members had little to none capacity to participate in the party's internal decisions could not but alienate its social base, substituting militants for media 'followers', and relying increasingly upon the passive consumption of party slogans through media outlets instead of encouraging public involvement and active decision-making. On the other hand, encouraged by the leading position Podemos was enjoying in most polls, the party adopted a more conservative discursive stance, in the expectation it would contribute to secure the support of previous PSOE's voters. This was manifested in a marked shift in Podemos's discourse, one which Franzé (2017) summarizes as going from antagonism to agonism.[48] Following the

[48] See Mouffe (2005). In short, while antagonistic relations are those between enemies with no common ground between them, agonistic relations are constituted by adversaries who,

latter's analysis, two discursive changes are emblematic of this shift. On the one hand, the condemnation of the institutional regime as such was replaced by an accusation of the predatory behavior of Spanish elites over an otherwise neutral institutional ensemble. Podemos's objective now will no longer be to replace the whole institutional order as such but to evacuate the elites who were using the former exclusively to their own benefit. On the other hand, there was a growing revindication of social-democracy in order to seduce PSOE's voters, to the point of defining its own political program as such, gradually abandoning the disdainful attitude towards the institutional Left that had characterized its first moments.

Moreover, Podemos's aspirations of 'transversality' led it to abandon the most socially transformative proposals it had embraced at the beginning (such as the implementation of basic income schemes or questioning the legitimacy paying back the debt contracted since the onset of the crisis), in favor of emphasizing notions a priori more entrenched in the dominant common-sense, such as reducing the systemic critique of its early moments to a critique of corruption-like excesses; an embracement of a meritocratic rhetoric too reminiscent of a neoliberally-inspired 'culture of winners'; downplaying the '*pueblo*'-'*casta*' opposition in favor of another one anchored around the divide 'new politics'-'old politics'; or its utmost resistance to engage with existing class realities and the intrinsically antagonistic nature of Spanish capitalism. Regarding this last point, it certainly reflected the current weakness of the Spanish labor movement during last decades, in conjunction with the widespread discredit to which union confederations were submitted during this last wave of protests. However, why traditional working-class identities were certainly difficult to articulate into a new populist project, implicitly veiling the intrinsically antagonistic nature of Spanish capitalism made it much

despite holding conflicting positions, nonetheless recognize the existence of some common ground among the two, thus conceding the legitimacy of each other's conflicting claims.

easier for alternative discursive attempts to present themselves as embracing a similar anti-corruption stance but completely devoid of anti-systemic potential.

As a result, a new electoral competitor emerged in the guise of *Cuidadanos*, a nominally liberal, business-sponsored party which embraced several of Podemos claims while emptying and taming them. Embracing an anti-corruption discourse while arguing for a 'soft and sensible' change, it had a strong appeal to the most conservative layers of the middle- and working-classes, blocking Podemos's aspiration of building a transversal movement against the *statu quo*: 'This revealed two things: on the one hand, it highlighted the political limits of mass discomfort and the 15M legacy in terms of political consciousness; on the other hand, it showed that Podemos' policy of using 'empty signifiers' with little programmatic precision favored its contenders' attempts to give them another meaning' (Antentas 2017b : 481). By favoring a moralistic criticism of existing Spanish politics while diverting attention from the systemic nature of the corruption excesses they were denouncing, the door was left open for a new party with equally young leaders, embracing a corruption-free and democratic regeneration rhetoric capable of confronting Podemos in the very symbolic arena it had contributed to bring forward.

To these problems, ultimately derived from the organizational-strategic choices adopted early on, it must be added a renewed attack on the side of the establishment forces to discredit Podemos. A new offensive was drawn where the term 'populism' was consistently used by the establishment forces and its associated media outlets as an 'empty signifier' condensing disparate fears and anxieties. As shown by Miró (2018), from early 2015 onwards Podemos's 'populist intervention' was no longer counteracted through an institutionalist and technocratic discourse, as it would have seemed to be assumed by Laclau (2005a). Quite on the contrary, the forces of the establishment assumed and reinforced the very antagonistic divide drawn by

Podemos, in order to load it with markedly pejorative and apocalyptic connotations, so that Podemos would now be pictured as a threat not only to the existing social order, but to democratic politics *tout court* and economic recovery: 'the signifier populism (…) had come to condense all the anxieties of the Spanish political elites, thus becoming an omnipresent point of reference in opposition to which traditional political actors based their democratic credentials. In Laclauian terminology, populism had become a "nodal point" of the pro-*status quo* discursive coalition, that is, a signifier partially unifying the discursive elements of such a coalition' (Miró 2018 : 7). Therefore, the signifier 'populism' served to link Podemos to other threats and accusations, some of them with a long history in acting as a 'constitutive outside' for previously dominant hegemonic formations, such as ETA's terrorist activity or communism, some others recently imported into the Spanish socio-symbolic arena, such as the party's alleged links with countries such as Iran or Venezuela (Labio-Bernal 2018), thus acting as a reference point which served to both frame and ground the latter.

Rajoy's right-wing administration took advantage of the external frontier drawn by Podemos's populist intervention in order to protect their own command over the arena of political representation by, precisely, reinforcing the very divide designed to seize it. On the one hand, a post-political fiction of a community fully reconciled with itself was no longer tenable, inevitably bringing to light the political, partial and contingent nature of the currently existing social order. On the other hand, by reaffirming the antagonistic nature of the symbolic divide drawn by Podemos, the further implementation of austerity policies was made possible by recurrently appealing to a de-politicized 'common sense' while invoking the pressures derived from EU membership as irrevocable commitments the government could not but confront in a technocratic manner. No longer capable of generating a material common ground through which to integrate

subordinate social groups through securing their consent, the PP government resorted to a highly technocratic management of economic affairs in conjunction with an overt politicization of the social order's constitutive outside (Borriello 2017).

In sum, whereas Podemos's populist irruption during 2014 was met by the establishment forces' attempt to dissolve the overly political divide drawn by the former through paternalist calls to confront some of the grievances they were voicing, 2015 saw a reversal of such dynamics. Whereas the establishment forces paradoxically reinforced the anti-establishment divide in order to safeguard a constituency faithful to its pro-austerity stance, Podemos attenuated instead its antagonistic confrontation towards the existing order, seeking instead some sort of agonistic compromise with the forces occupying the sphere of representation, a compromise to which the latter were no longer willing to give in.

Besides the consolidation of Ciudadanos and the renewed media backlash against Podemos, such a discursive shift on the side of Podemos was further motivated by the need to confront the successive elections pre-dating the national ones, to be celebrated at the end of 2015. In the elections to the Andalusian regional parliament (March 2015), Podemos managed to obtain less than 15% of votes, far below its main competitor from the Left, the Socialist Party (35.8%). A few months later (May 2015) local elections were held, in conjunction with elections to several regional parliaments. These elections represented a difficult situation for Podemos, as the party was still in process of consolidating its local structures. A self-perceived inability to build up electoral lists which were in full agreement with the political line devised by the party leadership, together with a marked fear to take controversial decisions which could affect in the future its nation-wide image, favored the choice of not running at the local level, choosing instead to be integrated in multi-party electoral alliances, so-called '*confluencias'* (Rodon and Hierro 2016). This

choice turned out to be highly successful, insofar as these various local candidacies managed to win the local elections in many among the country's biggest cities, such as Madrid, Barcelona, Valencia, Zaragoza or A Coruña. While the party managed to took the credit for those victories despite formally not running as such, it did also have the effect of empowering majors who, despite being markedly associated with Podemos, were nonetheless not submitted to Podemos's internal hierarchy (Rodríguez-Teruel, Barrio, and Barberà 2016).

The regional elections, however, delivered quite a different scenario. Podemos concurred, under its own name, thus rejecting electoral coalitions. Podemos's vote share was lower than expected and, most relevant for the party's future aspirations, it did not manage to surpass the PSOE in any region (Rodon and Hierro 2016). Nevertheless, the regional parliaments saw a marked swing to the left, as the PP lost all the absolute majorities it had obtained in 2011, and Podemos decided to support the Socialist Party in every region while refusing to accept governmental responsibilities, a movement likely to be motivated by Podemos leadership's willingness to attend the December 2015 general elections in the guise of an 'outsider'.

Soon after the summer, the regional elections celebrated in Catalunya in October 2015 did seriously question Podemos's existing possibilities of finally taking over the Spanish electoral system at the national level in December that year. A very polarized social scenario around Catalunya's self-determination proved highly detrimental to Podemos's success. This time, in line with the formulae already explored in the local elections in May, Podemos did not use its own brand again but took part of a coalition candidacy named *Catalunya Si que es Pot*. Unable to position itself in a campaign highly polarized around the issue of Catalunya's independence, less than 10% of the vote share was obtained. Moreover, Ciudadanos, its main competitor within the 'new politics' realm, became the second force,

more than doubling Podemos's vote share, thanks to maintaining a very belligerent stance against peripheral nationalisms.

In this context, the expected result in the 2015 general elections (December) were definitely low, as it seemed that Podemos's attempt to gather the support of the remainders of the middle-class by renouncing to a more provocative, dichotomizing and radical discursive stance, was ultimately being met with disaffection from those hit the hardest by the economic breakdown. However, the end results of the December 2015 general elections managed to break that trend, and Podemos emerged as the third force in the Spanish political system, very close to the Socialist Party and well above Ciudadanos (Medina and Correa 2016). Such an upsurge was due to a variety of different factors, among which two should be highlighted (Orriols and Cordero 2016). On the one hand, Podemos repeated the coalition formulae in various regions, such as Catalunya, Valencia or Galicia. Crucially, these were territories where the Spanish national identity had traditionally shown a lower degree of hegemonic depth, and where the arrival of Podemos had been more troublesome. Significantly, Podemos obtained its best results precisely there. On the other hand, Podemos advanced a self-fulfilling narrative of electoral recovery (so-called '*remontada*') which managed to polarize the electoral campaign while also presenting Podemos, again, as an irrupting force.

The poll results delivered a very fragmented lower chamber, where the two traditional parties, PP and PSOE, maintained their downward trend and managed to secure only the 50.7% of the final vote share. Podemos, in turn, positioned itself as the third political force obtaining slightly more than 20% of votes, while Ciudadanos was clearly relegated to the fourth position with a vote share of 13.9%. As shown by Orriols and Cordero (2016), these results reflect the generational cleavage present in the Spanish social formation, younger voters being much more prone to vote the new parties. Moreover, in

relation to Podemos's experience upsurge, it was the political crisis, as manifested in successive corruption scandals related to the PP's kleptocratic government during the growth years, rather than economic grievance, the main factor underlying it.

The results obtained did not enable straightforward government formation and, for the first time in the short history of Spanish democracy, the most voted party did not manage to reach an agreement with other parliamentary forces to establish a government. The relevance acquired by the national cleavage in relation to the issue of Catalunya's independence, together with the high level of fragmentation of the lower chamber, where, for the first time since the end of the dictatorship, the Socialist Party was no longer indisputably positioned as the leading force on the Left, caused an immediate parliamentary blockage (Medina and Correa 2016).

After Rajoy declined the King's appointment as candidate Prime Minister, it was Pedro Sánchez, PSOE's candidate, the one who accepted the task of securing the votes needed for a successful investiture. Such a task was certainly not an easy one. On the one hand, the possibility of establishing negotiations with the Catalan nationalist parties was forbidden upon explicit petition from a fraction of its own party. On the other hand, it needed either the votes of Podemos and remaining left-wing parties, in conjunction with the abstention of Ciudadanos, or else the positive vote of Ciudadanos and the abstention of all remainder parties with the exception of PP (Simón 2016). The Socialist candidate attempted to integrate both Podemos and Ciudadanos into the same coalition agreement, but the latter vetoed each other. As a result, the necessity to repeat elections again was made obvious.

In preparing for the next elections, to be celebrated in June 2016, the main novelty was the constitution of a joint candidacy between Podemos, on the one hand, and the traditional-left party *Izquierda Unida* (a coalition in turn where the Communist Party is integrated),

on the other. The expectation was, as most opinion polls had predicted, to finally overtake the Socialist Party, a challenge in response to which an even more moderate discourse was advanced, aiming at not frightening potential voters who had aligned themselves previously with its, now, only rival on the Left.

The final results delivered, contrary to all expectations, a slight revival of 'bi-partyism' in Spanish politics, mostly due to a moderate recovery experienced by the PP. While Ciudadanos lost almost 400.000 votes and 8 MPs, Unidos Podemos, the joint candidacy of Podemos and Izquierda Unida, saw truncated its aspirations of finally overtaking the PSOE, as it lost close to 1.100.000 votes compared to the 2015 general elections. In this regards, while the reticence of some important part of its past electorate to support the new joint candidacy probably played an important role, being led to either the ranks of abstentionist of towards the Socialist Party (Simón 2016), the discursive stance eventually adopted, almost univocally aimed at securing the support of previous Socialist voters, had the unintended effect of significantly de-mobilizing its own electoral base.

The results did not vary significantly with respect to December 2015. This time the Socialist Party, after having accomplished an internal *coup d'état* to its own general secretary, did support the conformation of another right-wing government headed by PP's leader Mariano Rajoy (Lancaster 2017). At this point, the cycle of social contestation initiated in 2011 with the emergence of the 15M movement found here a provisional end point.

10.5 Concluding Comments.

The economic crisis experienced by the Spanish social formation closely resembles the main traits he had previously identified regarding the type of institutional breakdown associated to Liberal SSAs. As noted in previous chapters, the previous phase of sustained

economic growth, ranging from 1995 to 2007, contained several internal contradictions which, once their mutual containment proved to be no longer possible, could not but overflow the institutional mechanisms articulating the aforementioned economic expansion. In barely a couple of years after the onset of the Great Recession, skyrocketing unemployment levels, soaring levels of private debt, an over-sized real estate complex, and increasingly strained public finances made the severity of the crisis apparent to all. As a result, the whole institutional ensemble was crumbling down, in turn doing away with the various consensuses that had permitted the former to be self-reproduced over time without significant public contestation. Moreover, the ensuing effects of the economic meltdown were not restricted to one specific economic sector or social domain. This situation, characterized by a sudden institutional decomposition whose dislocatory effects upon already-existing social identities are widespread all over the social structure, corresponds to what we had previously termed a 'populist situation'.

It followed from our analysis that, in such social scenarios, 'populist interventions', that is, discursive attempts to dichotomize the social field through invoking a yet-to-be-constructed popular identity, would show much higher hegemonic depth in comparison to other historical periods. Recent Spanish experience supports that claim, insofar the emergence of Podemos made ample use of populist strategies to irrupt into the Spanish political scene. Moreover, it was precisely during those periods during which Podemos's discourse was more clearly populist (namely, 2014 and late 2015) when the former's attempt to upset existing political disequilibria was more successful, both in social and electoral terms. Conversely, whenever it adopted a more institutionalist tone, while approaching more clearly already-established political identities (read social-democracy), its counter-hegemonic capacity proved to be severely curtailed.

It follows from the analysis presented throughout this text that neither the economic nor the socio-political crisis are close to be concluded. Hopefully, some of the ideas laid bare in the present text will prove useful in informing future political practice in this morbid interregnum organic crises ultimately consist of.

USC
UNIVERSIDADE
DE SANTIAGO
DE COMPOSTELA

CONCLUSIONS.

Before bringing this essay to an end, it is needed to offer a brief outline of what, in our view, represent the core theoretical developments this essay aimed at bringing forward. To clarify the exposition, we will focus upon five different but interrelated areas where we understand the theoretical novelty of the present essay ought to be located. Firstly, our attempt to elaborate a political economy approach situated in what we had termed a 'middle ground' position, that is, one which acknowledges, at the same time and without downplaying one pole in favor of the other, the higher-order relevance of capitalist processes in appraising socio-historical dynamics and the irreducible heterogeneity of the social. Secondly, our explorations of what, under capitalism, a social order is, how it relates to underlying capitalist dynamics, and how they are challenged and re-composed in relation to both internal and external pressures for change. Thirdly, the institutional analysis of recent socio-economic developments in the Spanish social formation during the last two decades, comprising both the period of expansion which came to an end with the onset of the Great Recession, and the systemic crisis ensuing afterwards. Fourthly, the vagaries of social consensuses accompanying the former, both in relation to how they were organized during the expansion phase in such a manner that they left impervious the institutional bases regulating economic expansion, and how they were disrupted once economic activity plummeted after 2008, as underlying disequilibria were abruptly brought to the fore. Finally, some lessons which, in our view, can be drawn out from our analysis regarding the strategic debates conducted within Podemos in terms of how to build up a

political movement capable of putting an end to the ongoing implementation of austerity politics.

1. POLITICAL ECONOMY AND POST-MARXISM.

One of the core aims of the present essay has been to develop a theoretical approach which, while remaining firmly within the domain of political economy, nonetheless offered a more nuanced treatment of political interactions than that customary within such a tradition. While the utmost relevance of capitalist dynamics when appraising social dynamics has been made apparent to all since the onset of the Great Recession in 2008, the fact remains that prevalent political alignments keep on showing little to none relation to underlying capitalist processes. In our view, both facts must be reconciled for a social theory at the height of the times to be developed. In order to attempt such a task, we have explored at length the possibility of bringing together several insights from SSA theory, on the one hand, and Laclau's post-marxism, on the other. While we greatly favor the former because of its nuanced treatment of underlying capitalist dynamics, as well as of how the latter affect, and are affected in turn, by the institutional ensemble in which they will be necessarily immersed, we have complaint against its Manichean and dichotomic understanding of political identities ensuing from the former. Conversely, while we have praised Laclau's detailed cartography of political interactions, we strongly disagree with his understanding of the conceptual categories of class and capitalism, respectively, as fetishized notions with little to none explanatory potential.

The route we had followed to attempt such an integration among the two frameworks was to retain SSA theory's understanding both of capitalism as an inherently unstable and crisis-prone social system and of the role institutions may play in temporarily attenuating capitalism's contradictory dynamics, while doing away with any

presumption of a direct transposition between infrastructural dynamics and associated political identities. At that point, we drew upon Laclau's understanding of hegemonic logics as a relatively autonomous field where the conflictive substratum of social interactions is translated into isolated demands in a strictly non-determinist fashion. Political subjects, emerging out of the aggregation of several among these demands, may initiate political quarrels susceptible of interrupting underlying capitalist dynamics despite not seeking so explicitly. However, in order to appraise the higher or lesser anti-systemic potential these demands might have, it would be necessary to relate them to the institutional configuration regulating capitalist activity at a given time and place. Therefore, while capitalist dynamics impose a certain syncopated rhythm upon co-existing socio-historical processes and political interactions, they will never relate to the latter in a mirror-like fashion. Conversely, while political struggles will be relatively autonomous in terms of both the character of contending subjects and the issues prominently at stake, they will be ultimately overdetermined by the actual configuration of underlying capitalist activity, and the socio-historical evolution of its internal contradictions. Building upon this framework, we can approach the topic of how a social order relates to underlying capitalist dynamics.

2. Social Orders under Capitalism.

The actual shape of any society under consideration is, in the last instance, the result of contingent articulations among heterogeneous social practices. This theoretical statement, despite being formulated at a high level of abstraction, served as our very first starting point in the theoretical journey initiated at the onset of this essay. The resulting ensemble will be a constitutively complex one, that is, no inner essence will ever be found which fully accounts for the multifarious phenomenal appearance of the former. However, acknowledging the

inexistence of any essential ground in which observed social diversity would have found an ultimate foundation ought not to lead us to praise the impenetrability of the social world in a markedly postmodern fashion, as that would mean, in our view, abandoning altogether the terrain of social sciences to which, in the last instance, this essay finds itself committed to. What, therefore, is the relation between the economic and the non-economic aspects, respectively, of any social formation under consideration? That is, how do those activities directly implicated in reproducing the material conditions of existence of a given society relate to those only implicated in the former in a merely tangential manner? Moreover, within the economic realm, how do those practices articulated around capitalist valorization dynamics relate to those which, despite been formally external to them, nonetheless operate as the ultimate conditions of existence of the former?

Developing a theoretical framework through which to pose these questions was one of the foremost concerns of the present investigation. Before attempting so, we had delineated the contours of the theoretical stance we were aiming at bringing forward, one which acknowledged the utmost relevance of capitalist dynamics in conditioning the diachronic evolution of the social formation in which they find themselves immersed while, simultaneously, refused to grant them an all-embracing character. Similarly, we want to ascertain the irreducible plurality of motivations guiding and informing social action without that implying that agents would operate within some sort of institutional vacuum. We employ the term ‘middle ground’ to refer to such a theoretical stance, one which remains equally distant from determinist and voluntarist schemes of social explanation, respectively.

Manifold activities, greatly exceeding those directly implicated within capitalist valorization dynamics, ought to be successfully undertaken for a given society to be able to self-reproduce itself.

Social reproduction, therefore, requires coordinating various activities highly heterogeneous among themselves, deployed in different locations and subject to various socially-differentiated temporalities. While a fraction of them are directly implicated within capitalist self-valorization dynamics, the remaining ones operate nonetheless as the former's ultimate conditions of existence. Hence, while capitalist dynamics play a prominent role in conditioning the diachronic evolution of the social totality under consideration, the latter's diachronic reproduction requires the completion of several other activities as well which, in turn, function as the very conditions of existence of capitalist activity itself. We used the term 'social order' to refer, precisely, to the various mechanisms, institutional or symbolic in nature, which regulate who, how, where, and when these various activities upon which capitalism's reproduction crucially depends are deployed.

Moreover, the social distribution of these various labors will be highly uneven not only in terms of the material rewards associated to each, but also in terms of their physical and/or emotional hardship and strenuousness. As a consequence, we have been arguing that, when analyzing social reproduction under capitalism from a holistic perspective, social consensuses and expectations ought to be incorporated on an equal footing into the analysis. On the one hand, it is necessary that the various agents involved show a minimum degree of conformity with the social roles allotted to them. On the other, it is also required that potentially antagonistic dynamics derived from such an unevenness regarding both material rewards and responsibilities be correctly pacified and/or stabilized. As long as these conditions are satisfied, in the guise of widespread consensuses and shared expectations, in conjunction with a well-functioning capitalist accumulation process, social reproduction will proceed smoothly.

However, either when capitalist dynamics find some internal blockage, or whenever social contestation manages to put an end to

the former's internal reproduction, existing synergies between ongoing capitalist activity and accompanying social consensuses will come to an end. There is therefore a relation of mutual constitution among the two levels. While capitalist crises will inevitably affect existing hegemonic understandings and alliances, thus forcing a reconstitution of them along new lines, the latter will be also capable of reformulating the former through social quarrels over its idiosyncratic constitution at a given time and place. It is to the study of their mutual interrelation to which the theoretical development of the first part of the present essay was mostly devoted. In case our enterprise was minimally successful, recent socio-economic development in the Spanish social formation will be cast in a new light.

3. THE TRAGIC REPRODUCTION OF SPANISH NEOLIBERALISM.

While the exact institutional form that capitalism will adopt at given time and place will be irremediably contingent and context-specific, crises invariably emerge as a necessary corollary to any period of relative socio-institutional stability. Contrary to dominant accounts of capitalism as an a-problematic system of social coordination through price-embodied signals, this essay has been arguing forcefully in favor of an understanding of capitalism as an irremediably crisis-prone system, whose internal disequilibria may for a time be successfully prevented from coming to the fore, but never fully eradicated. It follows, therefore, that the appropriate research question would be not to discern how a potential upcoming crisis may interrupt an otherwise harmonious social ensemble but, on the contrary, how the crisis-proneness of such an ensemble can be attenuated and/or postponed through appropriate institutions. While institutional structures can be successful for a long time in preventing the contradictory nature of underlying capitalist dynamics from coming to the fore, at some point,

sooner or later, the former will end up succumbing to the strength of the former.

Recent Spanish experience, in our view, constitutes a very idiosyncratic example of how internal contradictions can interact among themselves in such a manner that their eventual manifestation as such is successfully postponed for a long time. During the period of intense economic growth ranging from 1995 until 2008, an immaculate appearance of economic success was delivered despite underlying contradictions being amplified through and through. Indeed, it was precisely the very proliferation of internal imbalances and disequilibria that which, paradoxically, delivered such an appearance of success, thanks to contingent relations of complementarity and mutual constitution drawn among themselves. Numerous laudatory comments at the time placed great emphasis upon the impressive evolution of certain key macroeconomic indicators, such as GDP, employment creation or aggregate consumption. However, several other indicators offered quite a worrisome picture, insofar their sustained reproduction over time was clearly impossible to attain. Among these alarming signs which, at the time, few analysts called attention to, one should cite, among others, ascending levels of private debt, both in the corporate and household sectors; stagnating real hourly wages throughout the whole period; growing sectoral imbalances regarding the composition of investment expenditures; an enlarging 'competitiveness gap' relative to the European 'core'; growing current account deficits; or the pervasive incidence of fixed-term contracts, especially among women and young workers. Our thesis in this respect is twofold. On the one hand, we contend that it is precisely the contingent relations drawn among these aforementioned disequilibria that which explains why they did not manage to disrupt the very institutional structure fostering them in the first instance and, also, why, far from attenuating themselves, they were further magnified along the course of economic expansion. On

the other hand, it was precisely the proliferation of internal disequilibria that which explained the outstanding behavior of those other indicators generally taken as evidence of the strength of the Spanish model at the time. For instance, soaring private consumption levels were only made possible, in the face of systematic wage repression, by growing levels of households' indebtedness together with the diffusion of atypical sources of income such as those derived from trading on self-appreciating assets; intense employment creation was greatly favored by employers' capacity to have recourse to fixed-term contracts without explicit justification; while intense economic growth was ultimately animated by a massive housing bubble whose perpetuation was neither socially desirable nor financially possible.

While the modality of interrelation among these various disequilibria explained to a great extent the momentum acquired by the economic expansion, it is clear in retrospect that those same mechanisms were drawing the whole social formation closer through and through towards an inevitable collapse. Indeed, the strength of the previous economic expansion seems directly proportional to the intensity of the ensuing economic breakdown. The former was sustained by several trends whose continued reproduction depended in the last instance, respectively, upon the support provided by equally self-defeating remaining ones. Therefore, once their joint reproduction was no longer possible, problems were not restricted to one specific area of the social but, on the contrary, affected the whole institutional structure instead. While, in our view, it was the relations of complementarity among several institutional spheres that which explained the vigor shown by the economic expansion, one among these trends acquired an exceptional relevance regarding systemic reproduction, namely, a massive asset bubble in the real estate sector. The latter was doomed to eventually deflate, as it is the case with every self-sustained process of asset revalorization. Rising consumption levels in face of stagnating real wages; booming

investment activity in face of deteriorating profitability trends and competitiveness capacities; soaring indebtedness levels among households and firms; insufficient welfare state support to the excluded; or exceptional immigration flows which permitted a partial amelioration of unsatisfied care needs, all these found their ultimate support in self-increasing housing prices, so that, once the latter was interrupted, the various processes constitutive of the 'Spanish miracle' were all of a sudden turned into their opposite.

The singular virulence shown by the economic crisis cannot be properly appraised without taking into consideration the precarious and self-defeating foundations upon which previous economic expansion was grounded. Moreover, EMU membership contributed to accentuate internal malfunctions, on the one hand, and to lock alternative policy measured directed towards restoring healthier bases for a potential economic expansion in the future. However, it was precisely the common currency that which permitted the diachronic reproduction of the aforementioned unsustainable trends well beyond what would have been possible were available resources during the growth years restricted to the national territory. In sum, the tragic dimension of the Spanish path of development since the early 1990s lay in the fact that all those factors contributing to display an image of unparalleled success by then were, precisely, the very same ones condemning the whole social formation towards a collective nightmare. However, one must wonder, how did we all acquiesce with the pattern of development followed?

4. THE VAGARIES OF SOCIAL CONSENSUS.

Despite the intrinsically precarious nature of Spain's economic expansion between 1995 and 2008, very high levels of social consensus regarding the specific path of development it implied were definitely attained. Many would probably account for the latter as a

relatively straightforward consequence of the economic expansion, as measured by conventional indicators such as GDP, net employment creation or households' aggregate consumption. However, in our view, issues were far more complicated and deserved, correspondingly, a more nuanced answer. The question should not only be why a social order with such high levels of support was indeed generated and maintained in Spain during those years but, rather, how such an idiosyncratic version of capitalism, such as the one that has been dominant in Spain during those years, could have enjoyed such a level of social support.

In our view, the very aspects deserving such an adulatory appraisal during those years not only co-existed with other aspects meriting a much more negative overall assessment but, crucially, were actually fostered by them. As explored at length throughout these pages, the Spanish path of development featured several traits which would have been likely to raise social contestation, such as the flat evolution of real wages, high levels of precariousness among the external layers of the workforce, an underdeveloped welfare state, a lack of explicit institutional protection to women and the young, or an absent public system of care provision. That is, it does not suffice merely to point out GDP growth rates insofar as they were not evenly shared among the population involved while, more importantly, focusing upon those indicators can only blur the perfidious social consequences of certain other social process upon which economic performance, however impressive its macroeconomic reflection might have been, was ultimately grounded upon.

Moreover, the path of development adopted transformed intrinsically corrupt practices at different scales of state institutions into the very kernel of the Spanish model. Far from being isolated excesses linked to illegal practices undertaken by certain state officials, the possibility of obtaining unexpected profits from illicit practices emerged as the very *raison d'être* of the Spanish path of

development. Certain archetypical traits of the real estate sector, such as its propensity to give rise to self-sustained price increases, or the stark dependency of its associated profits upon discretionary actions by certain politicians, together with the high degree of concentration Spanish capital acquired during the 1980s and 1990s, made the illicit use of private information related to real estate activity the very kernel of the ensuing housing bubble which, in turn, acted as the main driver force underlying other key co-existing social processes. While most people silently acquiesced to these illicit practices despite them not profiting directly from them, such practices did nevertheless sustain, by indirection, other processes which acted as the material bases sustaining existing social consensuses. Therefore, far from relying upon an understanding of ideological process *qua* false consciousness, we have interrogated which social process, and which mode of interrelation among them, explained such high levels of social connivance despite polarization dynamics being simultaneously amplified through and through.

Finally, by placing processes of material (re)production, on the one hand, and ideological phenomena, on the other, at the same level of analysis, we could throw some light upon the translation of the economic breakdown into a disruption of existing social consensuses, that is, in our terminology, the conversion of a systemic crises into an organic one. On the one hand, we had shown how not only the severity and abruptness of the economic breakdown initiated in 2008 was intimately linked to the precarious foundations of prior economic expansion, but also how the immediate decomposition of previously-dominant consensuses and expectations was greatly explained by the type of systemic crisis associated to the institutional structure governing the previous period of growth. On the other hand, it has been shown as well that the social issues gaining higher prevalence and visibility in the political climate following the onset of the Great Recession, from the ‘indignados’ movement till the anti-evictions

platform, were strongly related to the underside of the institutional bases regulating the previous upward phase of the cycle. This attempt to study simultaneously socio-political interactions and capitalist economic activity, which we had established at the onset of this essay as one of our prominent research goals, is what we deem political economy analyses should ultimately be about.

5. CLASS STRUGGLE OR POPULISM? YES, PLEASE!

The analysis hereby provided had as one of its primary aims to shed some light upon the political struggle currently been conducted in Spain which, as noted in previous chapters, acquired a new character since the appearance of the 'indignados' movement in 2011, and which, again, experienced still another twist from the emergence of Podemos in early 2014 onwards. In the midst of the latter, intense debates have been carried forward regarding which strategy to follow in order to, first, get access to state institutions and, second, how to put an end to the indiscriminate application of austerity policies (although, unfortunately, most energies were devoted to the first rather than to the second objective). Two main theoretical stances dominated the debate.

On the one hand, a position prominently associated to Iñigo Errejón and his group, made ample use of Laclau's categories in order to argue in favor of a loose and malleable political identity, articulated around 'empty signifiers', through which to gather together various disaffections with the existing order. The political field was implicitly granted a high level of autonomy through the generation of novel articulations of meaning, while its ultimate goal was, arguably, to enter state institutions in order to initiate a redistribution of power 'from above'. It must be noted that, while the idea of drawing a 'populist intervention' during Podemos's early months was certainly articulated and pioneered by them, they are also to be held

responsible, in our view, for the retreat from such a 'populist hypothesis' since early 2015, as analyzed in the previous chapter. On the other, a more markedly 'workerist' approach has been promoted by Pablo Iglesias and others, aimed at gaining the support of the popular classes and the excluded through a more belligerent rhetoric, self-consciously clinging to a greater extent onto pre-constituted political identities. Despite these differences among their respective projects, the actual distance among the two should nevertheless not be over-emphasized for, among other commonalities, both did share an understanding of politics as mostly electoral work; both shared a rejection of the left-right divide; a short-term strategy to seize state power; or an agreement upon the virtues of a verticalized political organization to achieve such aims.

Can we say something about that debate taking place within Podemos? Who were ultimately right, those defending a populist strategy aimed at gathering together those voices which already had access to the sphere of representation, or those arguing in favor of a more firmly-rooted identitarian stance driven towards securing the support of the excluded? Probably none. Class struggle or populism? Definitely both. While we strongly favor the use of Laclauian analytical categories to apprehend the actual stakes of the current political conjuncture and, especially, the 'populist hypothesis' built upon the latter, we disagree with the ulterior retreat from the latter since early 2015 under the presumption that, in order to broaden the social base of Podemos, the ranks of a middle-class now in process of decomposition were virtually the only target to be interpellated. Conversely, we agree with the strategy championed by Pablo Iglesias and others in focusing upon the popular classes and the excluded as the social group upon whose successful incorporation any viable transformative political movement ultimately depended, while we strongly depart from their attachment to already-constituted political identities in order to bring them in.

In our view, a consequence of the nature of the underlying systemic crisis is that populist interventions will show a much higher hegemonic depth in relation to other alternative logics of political aggregation, on the one hand, because of the variety of social positions from which dislocated identities arise and, on the other, due to the inability of already-existing identities to help coalesce the former into a new common social bloc. However, such an attempt to bring together manifold disaffections ought not be self-restricted to those who already had access to the sphere of representation, that is, those self-ascribed to the ranks a middle-class whose material conditions of existence were now to be found lacking everywhere but, on the contrary, must interpellate all those whose voices are not heard due to their effective exclusion from the sphere of representation. It is the task of bringing in the formally excluded, the underdogs, that which populist logics are much better prepared to accomplish.

Lastly, there is an element shared by both strategic hypotheses here under consideration which, from the perspective advocated in this essay, needs to be challenged. A crucial element shared by both was a misapprehension of the severity and length of the current systemic crisis which, in turn, led them both to advocate for a highly vertical bureaucratic organization when consolidating Podemos's party structures. As commented upon in the previous chapter, the explicit justification offered to build such a vertical party structure was the belief that, given that the economic crisis was to be short-lived, an isolated leadership from rank-and-file members' constraints was better suited to conduct a mass-mediatic struggle with electoral aims. However, such a structure had as a side-effect the demoralization of its potential base, thus limiting a potentially much deeper spread over the territory which, in turn, would have been crucial to attract the actually excluded from the sphere of representation, an exclusion that would have been vital to build up a properly anti-systemic movement. While the economic situation was indeed improved after 2015, its

foundations keep on being more fragile than ever. At the time or writing these lines (February 2018), the Spanish economy has not yet entered into a new recession but, considering the still high leverage levels affecting not only the private sector but also the public one, once interest rates are lifted up again, and the ongoing real estate bubble starts to deflate, the utmost fragility of the current recovery will be made apparent to all. When that time arrives, the underlying motives justifying the 'window of opportunity' hypothesis will be shown to have been ultimately spurious, and the lack of a well-established political organization to re-take the struggles against the Spanish power block and the continued application of austerity politics will be, unfortunately, felt in all its intensity. While the underlying systemic crisis will take much longer to be fully solved, I hope some strategic lessons will be learnt and assumed so that the very same mistakes will not be repeated again.

USC
UNIVERSIDADE
DE SANTIAGO
DE COMPOSTELA

BIBLIOGRAPHY.

Aalbers, Manuel B. 2017. "The Variegated Financialization of Housing." *International Journal of Urban and Regional Research* 41 (4): 542–54.

Aglietta, Michel. 1979. *A Theory of Capitalist Regulation. The U.S. Experience*. London: New Left Books.

Albarracín, Jesús. 1991. "La Extracción del Excedente y el Proceso de Acumulación." In *La Reestructuración del Capitalismo en España, 1970-1990*, edited by Miren Etxezarreta, 313–48. Barcelona: Icaria.

Althusser, Louis. 1969. *For Marx*. London: Verso.

Althusser, Louis. 1990. "Theory, Theoretical Practice and Theoretical Formation: Ideology and Ideologial Struggle." In *Philosophy and the Spontaneous Philosophy of the Scientists*, 1–42. London: Verso.

Althusser, Louis. 1994. "Ideology and Ideological State Apparatuses (Notes towards an Investigation)" In *Mappin Ideology*, edited by Slavoj Žižek, 100–140. London: Verso.

Althusser, Louis, and Étienne Balibar. 2009. *Reading Capital*. London: Verso.

Álvarez, Ignacio, Fernando Luengo, and Jorge Uxó. 2013. *Fracturas y Crisis En Europa*. 1ª ed. Madrid : Buenos Aires: Clave Intelectual.

Antentas, Josep Maria. 2015. "Spain: The Indignados Rebellion of 2011 in Perspective." *Labor History* 56 (2): 136–60.

Antentas, Josep Maria. 2017a. "Spain: From the Indignados Rebellion to Regime Crisis (2011-2016)." *Labor History* 58 (1): 106–31.

Antentas, Josep Maria. 2017b. “Podemos and the Spanish Political Crisis.” *Labor History* 58 (4): 468–89.

Anxo, Dominique, Colette Fagan, Inmaculada Cebrian, and Gloria Moreno. 2007. “Patterns of Labour Market Integration in Europe. A Life-Course Perspective on Time Policies.” *Socio-Economic Review* 5 (2): 233–60.

Arditi, Benjamin. 2010. “Review Essay: Populism Is Hegemony Is Politics? On Ernesto Laclau’s On Populist Reason.” *Constellations* 17 (3): 488–97.

Arriba, Ana, and Luis Moreno. 2005. “Spain - Poverty, Social Exclusion and ‘Safety Nets.’” In *Welfare State Reform in Southern Europe. Fighting Poverty and Social Exclusion in Italy, Spain, Portugal and Greece*, edited by Maurizio Ferrera, 141–203. New York: Routledge.

Arts, WIL, and John Gelissen. 2002. “Three Worlds of Welfare Capitalism or More? A State-of-the-Art Report.” *Journal of European Social Policy* 12 (2): 137–58.

Badiou, Alain. 2007. *Being and Event*. New York: Continuum.

Badiou, Alain. 2010. *The Communist Hypothesis*. London: Verso.

Bakir, Erdogan, and Al Campbell. 2015. “Is Over-Investment the Cause of the Post-2007 U.S. Economic Crisis?” *Review of Radical Political Economics* 47 (4): 550–57.

Balibar, Etienne. 1993. “The Non-Contemporaneity of Althusser.” In *The Althusserian Legacy*, edited by Ann E. Kaplan and Michael Sprinkler, 1–16. London: Verso.

Banyuls, Josep, Fausto Miguélez, Albert Recio, Ernest Cano, and Raúl Lorente. 2009. “The Transformation of the Employment System in Spain: Towards a Mediterranean Neoliberalism?” In *European Employment Models in Flux: A Comparison of Institutional Change in Nine European Countries*, edited by Gerhard Bosch, Steffen Lehndorff, and Jill Rubery, 247–69. Basingstoke: Palgrave Macmillan.

Banyuls, Josep, and Albert Recio. 2012. “Spain. The Nightmare of Mediterranean Neoliberalism.” In *A Triumph of Failed Ideas. European Models Fo Capitalism in Crisis*, edited by Steffen Lehndorff, 199–218. Brussels: ETUI.

Banyuls, Josep, and Albert Recio. 2015. “A Crisis Inside the Crisis: Spain under a Conservative Neoliberalism.” In *Divisive Integration. The Triumph of Failed Ideas - Revisited*, edited by Steffen Lehndorff, 39–68. Brussels: ETUI.

Barceló, Alfons. 1998. *Economía Política Radical*. Madrid: Síntesis.

Barros, Sebastián. 2006. “Espectralidad e Inestabilidad Institucional. Acerca de La Ruptura Populista.” *Estudios Sociales* 30 (1): 145–62.

Bauman, Zygmunt. 2011. “El 15-M es emocional, le falta pensamiento.” *El País*, October 17, 2011.https://elpais.com/diario/2011/10/17/cultura/1318802401_850215.html.

Bellod Redondo, José Francisco. 2015. “Plan E: La Estrategia Keynesiana frente a la Crisis en España.” *Revista de Economía Crítica*, 20: 4–22.

Benton, Ted. 1984. *The Rise and Fall of Structural Marxism. Althusser and His Influence*. New York: Macmillan Education.

Bernardi, Fabrizio. 2005. “Public Policies and Low Fertility: Rationales for Public Intervention and a Diagnosis for the Spanish Case.” *Journal of European Social Policy* 15 (2): 123–38.

Bernardi, Fabrizio, Luis Garrido, and Maria Miyar. 2011. “The Recent Fast Upsurge of Immigrants in Spain and Their Employment Patterns and Occupational Attainment.” *International Migration* 49 (1): 148–87.

Best, Beverley. 2014. “Speculating without Hedging.” *Critical Discourse Studies* 11 (3): 272–87.

Bettio, Francesca, and Janneke Plantenga. 2004. "Comparing Care Regimes in Europe." *Feminist Economics* 10 (1): 85–113.

Bettio, Francesca, Annamaria Simonazzi, and Paola Villa. 2006. "Change in Care Regimes and Female Migration: The 'Care Drain' in the Mediterranean." *Journal of European Social Policy* 16 (3): 271–85.

Bettio, Francesca, and Paola Villa. 1998. "A Mediterranean Perspective on the Breakdown of the Relationship between Participation and Fertility." *Cambridge Journal of Economics* 22 (2): 137–71.

Biglieri, Paula, and Gloria Perello. 2011. "The Names of the Real in Laclau's Theory: Antagonism, Dislocation, and Heterogeneity." *Filozofski Vestnik* 32 (2): 47–64.

Borriello, Arthur. 2017. "'There Is No Alternative': How Italian and Spanish Leaders' Discourse Obscured the Political Nature of Austerity." *Discourse & Society* 28 (3): 241–61.

Bowles, Samuel, and Herbert Gintis. 1986. *Democracy and Capitalism: Property, Community, and the Condictions of Modern Social Thought*. New York: Basic Books.

Bowles, Samuel, David M. Gordon, and Thomas Weisskopf. 1983. *Beyond the Waste Land: A Democratic Alternative to Economic Decline*. New York: Anchor Books.

Bowles, Samuel, David M. Gordon, and Thomas Weisskopf. 1990. *After the Waste Land: Democratic Economics for the Year 2000*. New York: Routlegde.

Bowles, Samuel, David M. Gordon, and Thomas E. Weisskopf. 1986. "Power and Profits: The Social Structure of Accumulation and the Profitability of the Postwar U.S. Economy." *Review of Radical Political Economics* 18 (2): 132–67.

Bowles, Samuel, David M. Gordon, and Thomas E. Weisskopf. 1989. "Business Ascendancy and Economic Impasse: A Structural

Retrospective on Conservative Economics, 1979-87." *The Journal of Economic Perspectives* 3 (1): 107–34.

Boyer, Robert. 2010. "The Rise of CEO Pay and the Contemporary Social Structure of Accumulation in the United States." In *Contemporary Capitalism and its Crises. Social Structure of Accumulation Theory for the 21st Century*, edited by Terrence McDonough, Michael Reich, and David M. Kotz, 215–38.

Braverman, Harry. 1974. *Labor and Monopoly Capital: The Degradation of Work in the Twentieth Century*. New York: Monthly Review Press.

Brenner, Robert. 2006. *The Economics of Global Turbulence*. London: Verso.

Briziarelli, Marco. 2018. "Podemos' Twofold Assault on Hegemony: The Possibilities of the Post-Modern Prince and the Perils of Passive Revolution." In *Podemos and the New Political Cycle. Left-Wing Populism and Anti-Establishment Politics*, edited by Óscar García-Agustín and Marco Briziarelli, 97–122. Cham: Palgrave Macmillan.

Brown, Wendy. 1995. *States of Injury: Power and Freedom in Late Modernity*. Princeton: University Press.

Bruff, Ian. 2014. "The Rise of Authoritarian Neoliberalism." *Rethinking Marxism* 26 (1): 113–29.

Bruff, Ian. 2016. "Neoliberalism and Authoritarianism." In *The Handbook of Neoliberalism*, edited by Simon Springer, Kean Birch, and Julie MacLeavy, 107–17. London: Routledge.

Bruff, Ian, and Cemal Burak Tansel. 2018. "Authoritarian Neoliberalism: Trajectories of Knowledge Production and Praxis." *Globalizations* 0 (0): 1–12..

Bruff, Ian, and Stefanie Wöhl. 2016. "Constitutionalizing Austerity, Disciplining the Household: Masculine Norms of Competitiveness and the Crisis of Social Reproduction in the Eurozone." In *Scandalous Economics. Gender and the Politics*

of Financial Crises, edited by Aida A. Hozic and Jacqui True. Oxford: Oxford University Press.

Buendía, Luis. 2018. "The Spanish Economic 'Miracle' That Never Was." In *Crisis in the Eurozone Periphery*, edited by Owen Parker and Dimitris Tsarouhas, 51–72. Cham: Palgrave Macmillan.

Buendía, Luis, Ricardo Molero-Simarro, and F. Javier Murillo. 2018. "The Distributive Pattern of the Spanish Economy." In *The Political Economy of Contemporary Spain. From Miracle to Mirage*, edited by Luis Buendía and Ricardo Molero-Simarro, 124–49. London and New York: Routlegde.

Bukharin, NIkolai. 1973. *Imperialism and World Economy*. New York: Monthly Review Press.

Bustelo, Pablo. 1994. "El Enfoque de la Regulación en Economía. Una Propuesta Renovadora." *Cuadernos de Relaciones Laborales* 4: 149–63.

Butler, Judith. 1990. *Gender Trouble: Feminism and the Subversion of Identity*. New York: Routledge.

Callinicos, Alex. 1976. *Althusser's Marxism*. London: Pluto Press.

Callinicos, Alex. 1993. "What Is Living and What Is Dead in the Philosophy of Althusser." In *The Althusserian Legacy*, edited by Ann E. Kaplan and Michael Sprinker, 39–50. London: Verso.

Callinicos, Alex. 2007. *Social Theory. A Historical Introduction*. Cambridge: Polity.

Calzada, Inés, and Eloísa del Pino. 2011. "Are Spaniards Different? European Convergence and Regional Divergence in the Evaluation of the Welfare State." In *The Spanish Welfare State in European Context*, edited by Ana M Guillen and Margarita Leon, 139–61. Burlington, VT: Ashgate.

Carballo-Cruz, Francisco. 2011. “Causes and Consequences of the Spanish Economic Crisis. Why the Recovery Is Taken so Long?” *Panoeconomicus* 58 (3): 309–28.

Carmona, Pablo, Beatriz García, and Almudena Sánchez. 2012. *Spanish Neocon. La Revuelta Neoconservadora en la Derecha Española*. Madrid: Traficantes de Sueños.

Carrasco, Cristina, and Albert Recio. 2001. “Time, Work and Gender in Spain.” *Time & Society* 10 (2–3): 277–301.

Castles, Francis G., and Maurizio Ferrera. 1996. “Home Ownership and the Welfare State: Is Southern Europe Different?” *South European Society and Politics* 1 (2): 163–85.

Charnock, Greig, Thomas Purcell, and Ramón Ribera-Fumaz. 2014. *The Limits to Capital in Spain. Crisis and Revolt in the European South*. Basingstoke: Palgrave Macmillan.

Clúa-Losada, Mónica. 2015. “Tracing the Competitiveness Discourse in Spain. Social Dumping in Disguise?” In *Market Expansion and Social Dumping in Europe*, edited by Magdalena Bernaciak, 210–25. New York: Routledge.

Clúa-Losada, Mónica, and Olatz Ribera-Almandoz. 2017. “Authoritarian Neoliberalism and the Disciplining of Labour.” In *States of Discipline. Authoritarian Neoliberalism and the Contested Reproduction of Capitalist Order*, edited by Cemal Burak Tansel, 29–46. London and New York: Rowman and Littlefield Int.

Coq-Huelva, Daniel. 2013. “Urbanisation and Financialisation in the Context of a Rescaling State: The Case of Spain.” *Antipode* 45 (5): 1213–31.

Coutrot, Thomas. 2008. “The American Radicals: A Subversive Current at the Heart of the Empire.” In *Critical Companion to Critical Marxism*, edited by Jacques Bidet and Stathis Kouvelakis, 255–66. Leiden and Boston: Brill.

Critchley, Simon, and Oliver Marchart, eds. 2004. *Laclau. A Critical Reader*. New York: Routledge.

Crouch, Colin. 2009. "Privatised Keynesianism: An Unacknowledged Policy Regime." *The British Journal of Politics and International Relations* 11 (3): 382–99.

Cullenberg, Stephen. 1999. "Overdetermination, Totality, and Institutions: A Genealogy of a Marxist Institutionalist Economics." *Journal of Economic Issues* 33 (4): 801–15.

Delgado, Luisa Elena. 2015. *La Nación Singular. Fantasías de la Normalidad Democrática Española (1996-2011)*. Madrid: Siglo XXI.

Di Feliciantonio, Cesare. 2017. "Social Movements and Alternative Housing Models: Practicing the 'Politics of Possibilities' in Spain." *Housing, Theory and Society* 34 (1): 38–56.

Di Feliciantonio, Cesare, and Manuel B. Aalbers. 2018. "The Prehistories of Neoliberal Housing Policies in Italy and Spain and their Reification in Times of Crisis." *Housing Policy Debate* 28 (1): 135–51.

Diskin, Jonathan. 1992. "An Essay on Post-Marxism, Democracy and Class." *Review of Radical Political Economics* 24 (2): 139–45.

Diskin, Jonathan, and Blair Sandler. 1993. "Essentialism and the Economy in the Post-Marxist Imaginary: Reopening the Sutures." *Rethinking Marxism* 6 (3): 28–48.

Doeringer, Peter B., and Michael J. Piore. 1971. *Internal Labor Markets and Manpower Analysis*. Lexington: D.C. Heath and Company.

Doling, John, and Richard Ronald. 2010. "Home Ownership and Asset-Based Welfare." *Journal of Housing and the Built Environment* 25 (2): 165–73.

Edwards, Richard. 1979. *Contested Terrain: The Transformation of the Workplace in the Twentieth Century*. New York: Basic Books.

Edwards, Richard, Michael Reich, and David M. Gordon, eds. 1975. *Labor Market Segmentation*. Lexington: D.C. Heath and Company.

Elliot, Gregory. 1993. "Althusser's Solitude." In *The Althusserian Legacy*, edited by E. Ann Kaplan and Michael Sprinkler, 17–38. London and New York: Verso.

Elliot, Gregory. 2006. *Althusser. The Detour of Theory*. Leiden and Boston: Brill.

Engels, Friedrich. 1890a. "Letter to Conrad Schmidt, London, October 27, 1890," 1890. https://www.marxists.org/archive/marx/works/1890/letters/90_10_27.htm.

Engels, Friedrich. 1890b. "Letter to J. Bloch, London, September 21, 1890," 1890. https://www.marxists.org/archive/marx/works/1890/letters/90_09_21.htm.

Engels, Friedrich. 1894. "Letter to Borgius, London, January 25, 1894," 1894. https://www.marxists.org/archive/marx/works/1894/letters/94_01_25a.htm.

Engels, Friedrich. 1978. *Anti-Dühring o La Revolución de La Ciencia de Eugenio Dühring*. Madrid: Ayuso.

Errejón, Iñigo. 2011a. "El 15-M como Discurso Contrahegemónico." *Encrucijadas. Revista Crítica de Ciencias Sociales* 2: 120–45.

Errejón, Iñigo. 2011b. "Política, conflicto y populismo (II). También en Europa: Posibilidades Populistas en la Política Europea y Española." *Viento Sur* 115: 105–14.

Errejón, Iñigo. 2014. "Vamos a Construir Una Maquinaria de Guerra Electoral," 23th October 2014. https://www.publico.es/actualidad/construir-maquinaria-guerra-electoral.html.

Errejón, Iñigo. 2016. “Del Asalto al Cerco: Podemos en la Nueva Fase.” *La Circular* (blog). 2016. https://www.lacircular.info/del-asalto-al-cerco-podemos-en-la-nueva-fase-inigo-errejon/.

Esping-Andersen, Gøsta. 1990. *The Three Worlds of Welfare Capitalism*. Oxford: Polity Press.

Esping-Andersen, Gøsta. 1999. *Social Foundations of Post-Industrial Economies*. Oxford: Oxford University Press.

Espinoza-Pino, Mario. 2013. “Politics of Indignation: Radical Democracy and Class Struggle beyond Postmodernity” *Rethinking Marxism* 25 (2): 228–41.

Etchemendy, Sebastián. 2004. “Revamping the Weak, Protecting the Strong, and Managing Privatization: Governing Globalization in the Spanish Takeoff.” *Comparative Political Studies* 37 (6): 623–51.

Etxezarreta, Miren. 1991. “La Economía Política del Proceso de Acumulación.” In *La Reestructuración del Capitalismo en España, 1970-1990,* edited by Miren Etxezarreta, 31–94. Barcelona: Icaria.

Ezquerra, Sandra. 2012. “Acumulación por Desposesión, Género y Crisis en el Estado Español.” *Revista de Economía Crítica*, 14: 124–47.

Fernández, Rafael, and Clara García. 2018. “Wheels within Wheels within Wheels: The Importance of Capital Inflows in the Origin of the Spanish Financial Crisis.” *Cambridge Journal of Economics* 42 (2): 331–53.

Fernández, Rodrigo, and Manuel B. Aalbers. 2016. “Financialization and Housing: Between Globalization and Varieties of Capitalism.” *Competition & Change* 20 (2): 71–88.

Fernández-Albertos, José. 2015. *Los Votantes de Podemos. Del Partido de los Indignados al Partido de los Excluídos*. Madrid: Libros de la Catarata.

Fernández-Savater, Amador. 2012. “El Nacimiento de un Nuevo Poder Social.” *Hispanic Review* 80 (4): 667–81.

Fernández-Savater, Amador. 2013. “La Cultura de La Transición y El Nuevo Sentido Común.” *Eldiario.Es*, 14th June 2013.

Ferrada-Stoehrel, Rodrigo. 2017. “The Regime’s Worst Nightmare: The Mobilization of Citizen Democracy. A Study of Podemos’ (Aesthetic) Populism and the Production of Affect in Political Discourse.” *Cultural Studies* 31 (4): 543–79.

Ferrera, Maurizio. 1996. “The ‘Southern Model’ of Welfare in Social Europe.” *Journal of European Social Policy* 6 (1): 17–37.

Ferrera, Maurizio. 2010. “The Southern Countries.” In *The Oxford Handbook of the Welfare State*, edited by Francis G. Castles, Stephan Leibfried, Jane Lewis, Herbert Obinger, and Christopher Pierson, 616–29. Oxford: Oxford University Press.

Flaquer, Lluis. 2001. “Is There a Southern European Model of Family Policy?” In *Families and Family Policies in Europe. Comparative Perspectives*, 15–33. Brussels: Peter Lang.

Flaquer, Lluis, Birgit Pfau-Effinger, and Alba Artiaga. 2014. “El Trabajo Familiar de Cuidado en el Marco del Estado de Bienestar.” *Cuadernos de Relaciones Laborales* 32 (1): 11–32.

Flesher-Fominaya, Cristina. 2015. “Debunking Spontaneity: Spain’s 15-M/Indignados as Autonomous Movement.” *Social Movement Studies* 14 (2): 142–63.

Franzé, Javier. 2017. “La Trayectoria del Discurso de Podemos. Del Antagonismo al Agonismo” *Revista Española de Ciencia Política* 44: 219–46..

Freud, Sigmund. 1976. *The Interpretation of Dreams*. Harmondsworth: Penguin Books.

Gálvez, Lina. 2016. “La Organización Social del Cuidado En España. Un Análisis de Largo Plazo” In *La Economía de Cuidados*, edited by Lina Gálvez, 75–120. Sevilla: Deculturas.

Gálvez, Lina, Paula Rodríguez-Madroño, and Mónica Domínguez-Serrano. 2011. "Too Much Family and Too Much Gender Inequality: Women's and Men's Total Work in Mediterranean Countries." In *Gender and Well-Being: The Role of Institutions*, edited by Elisabetta Addis, Paloma de Villota, Florence Degavre, and John Eriksen. London: Routledge.

Gálvez, Lina, Paula Rodríguez-Modroño, and Mónica Domínguez-Serrano. 2011. "Work and Time Use by Gender. A New Clustering of European Welfare Systems." *Feminist Economics* 17 (4): 125–57.

Gálvez-Muñoz, Lina, and Paula Rodríguez-Modroño. 2013. "El Empleo de las Mujeres en la España Democrática y el Impacto de la Gran Recesión" *Areas. Revista internacional de ciencias sociales* 32: 105–23.

García-Agustín, Óscar, and Marco Briziarelli. 2018. "Left-Wing Populism and the Assault on the Establishment." In *Podemos and the New Political Cycle. Left-Wing Populism and Anti-Establishment Politics*, edited by Óscar García-Agustín and Marco Briziarelli, 281–94. Cham: Palgrave Macmillan.

García-Lamarca, Melissa. 2017a. "From Occupying Plazas to Recuperating Housing. Insurgent Practices in Spain" *International Journal of Urban and Regional Research* 41 (1): 37–53.

García-Lamarca, Melissa. 2017b. "Creating Political Subjects: Collective Knowledge and Action to Enact Housing Rights in Spain." *Community Development Journal* 52 (3): 421–35.

Garzón, Eduardo, Bibiana Medialdea, and Antonio Sanabria. 2018. "The Spanish Financial Sector: Debt Crisis and Bailout." In *The Political Economy of Contemporary Spain. From Miracle to Mirage*, edited by Luis Buendía and Ricardo Molero-Simarro, 77–97. London and New York: Routlegde.

Geras, Norman. 1987. "Post-Marxism?" *New Left Review* 163: 40–82.

Gerbaudo, Paolo. 2017. “The Indignant Citizen. Anti-Austerity Movements in Southern Europe and the Anti-Oligarchic Reclaiming of Citizenship.” *Social Movement Studies* 16 (1): 36–50.

Gibson-Graham, J.K. 1996. “Althusser and Capitalism: An Encounter in Contradiction.” In *Postmodern Materialism and the Future of Marxist Theory*, edited by Antonio Callari and David F. Ruccio, 212–30. London: Wesleyan University Press.

Gillespie, Michael D. 2013. “The Economic Deterioration of the Family: Historical Contingencies Preceding the Great Recession.” *American Journal of Economics and Sociology* 72 (2): 329–60.

Gómez Uranga, Mikel. 1991. “La Internacionalización de La Economía Española: Un Proceso Acelerado.” In *La Reestructuración Del Capitalismo en España, 1970-1990*, edited by Miren Etxezarreta, 465–500. Barcelona: Icaria.

Gómez-Reino, Margarita, and Iván Llamazares. 2015. “Left Populism in Spain? The Rise of Podemos.” *Team Populism May 2015 Conference: Solving the Puzzles of Populism*, London.

González i Calvet, Josep. 1991. “Transformación del Sector Público e Intervención en la Economía.” In *La Reestructuración del Capitalismo en España, 1970-1990*, edited by Miren Etxezarreta, 177–238. Barcelona: Icaria.

González-Gago, Elvira, and Marcelo Segales-Kirzner. 2014. “Women, Gender Equality and the Economic Crisis in Spain.” In *Women and Austerity. The Economic Crisis and the Future for Gender Equality*, edited by Maria Karamessini and Jill Rubery, 228–47. London and New York: Routledge.

Gordon, David M. 1980. “Stages of Accumulation and Long Economic Cycles.” In *Processes of the World System*, edited by T. K. Hopkins and Immanuel Wallerstein, 9–45. Beverly Hills: Sage.

Gordon, David M., Richard Edwards, and Michael Reich. 1982. *Segmented Work, Divided Workers*. Cambridge: Cambridge University Press.

Gordon, David M., Thomas Weisskopf, and Samuel Bowles. 1987. "Power, Accumulation and Crises: The Rise and Demise of the Postwar Social Structure of Accumulation." In *The Imperiled Economy. Macroeconomics from a Left Perspective*, edited by Robert Cherry and Thomas Michl, 43–58. New York: URPE.

Gramsci, Antonio. 2013. *Antología. Selección, Traducción y Notas de Manuel Sacristán*. Madrid: Akal.

Guillén, Ana M. 2010. "Defrosting the Spanish Welfare State: The Weight of Conservative Components." In *A Long Goodbye to Bismarck?*, edited by Bruno Palier, 183–206. Amsterdam: Amsterdam University Press.

Hamza, Agon. 2017. "Re-Reading Capital 150 Years After. Some Philosophical and Political Challenges." *Continental Thought & Theory. A Journal of Intellectual Freedom* 1 (4): 153–76.

Harrison, Oliver. 2014. *Revolutionary Subjectivity in Post-Marxist Thought. Laclau, Negri, Badiou*. Burlington: Ashgate.

Hernández Marco, Jose Luis. 2012. "La Economía durante la Etapa de los Gobiernos Socialistas." In *Historia Económica de España*, edited by Agustín González Enciso and Juan Manuel Matés Barco, 795–818. Barcelona: Ariel.

Hilferding, Rudolf. 1980. *Finance Capital*. London: Routledge and Kegan Paul.

Hirschman, Albert O. 1970. *Exit, Voice and Loyalty. Responses to Decline in Firms, Organizations and States*. Cambridge: Harvard University Press.

Hodgson, Geoffrey. 2006. "What Are Institutions?" *Journal of Economic Issues* 40 (1): 1–25.

Ibáñez, Zyab, and Margarita León. 2014. "Resisting Care Crisis at What Cost? Migrant Care Workers in Private Households." In

Migration and Care Labour. Theory, Policy and Politics, edited by Bridget Anderson and Isabel Shutes, 110–29. Basingstoke: Palgrave Macmillan.

Juste, Rubén. 2017. *IBEX 35. Una Historia Herética Del Poder*. Madrid: Capitan Swing.

Karamessini, Maria. 2008a. "Continuity and Change in the Southern European Social Model." *International Labour Review* 147 (1): 43–70.

Karamessini, Maria. 2008b. "Still a Distinctive Southern European Employment Model?" *Industrial Relations Journal* 39 (6): 510–31.

Kemeny, Jim. 1981. *The Myth of Home Ownership*. London: Routledge.

Kioupkiolis, Alexandros. 2016. "Podemos. The Ambiguous Promises of Left-Wing Populism in Contemporary Spain." *Journal of Political Ideologies* 21 (2): 99–120.

Kitschelt, Herbert. 2006. "Movement Parties." In *Handbook of Party Politics*, edited by Richard Katz and William J Crotty, 278–90. London: Sage.

Kondratieff, Nikolai D. 1935. "The Long Waves in Economic Life." *Review of Economic Statistics* 17 (6): 105–15.

Kotz, David M. 1994a. "Interpreting the Social Structure of Accumulation Approach." In *Social Structures of Accumulation: The Political Economy of Growth and Crisis*, edited by David M. Kotz, Terrence McDonough, and Michael Reich, 50–71. New York: Cambridge University Press.

Kotz, David M 1994b. "Regulation Theory and the Social Structure of Accumulation Approach." In *Social Structures of Accumulation: The Political Economy of Growth and Crisis*, edited by David M. Kotz, Terrence McDonough, and Michael Reich, 85-98. New York: Cambridge University Press

Kotz, David M. 2002. "Globalization and Neoliberalism." *Rethinking Marxism* 14 (2): 64–79.

Kotz, David M. 2003a. "Neoliberalism and the US Economic Expansion in the 1990s." *Monthly Review* 54 (11): 15–33.

Kotz, David M. 2003b. "Neoliberalism and the Social Structure of Accumulation Theory of Long-Run Capital Accumulation." *Review of Radical Political Economics* 35 (3): 263–70.

Kotz, David M. 2006. "Institutional Structure or Social Structures of Accumulation." In *Growth and Crisis. Social Structure of Accumulation Theory and Analysis*, edited by Terrence McDonough, Michael Reich, David M. Kotz, and María Alejandra González-Pérez, 50–57. Galway: SSRC and CISC at the National University of Ireland.

Kotz, David M. 2009. "Economic Crises and Institutional Structures: A Comparison of Regulated and Neoliberal Capitalism in the U.S." In *Heterodox Macroeconomics: Keynes, Marx and Globalization*, edited by Jonathan Goldstein and Michael Hillard, 176–88. London and New York: Routledge.

Kotz, David M. 2010a. "Financialization and Neoliberalism." In *Relations of Global Power. Neoliberal Order and Disorder*, edited by Gary Teeple and Stephen McBride, 1–18. Toronto: University of Toronto Press.

Kotz, David M. 2010b. "What Can Cause a System-Threatening Crisis of Capitalism." *Science and Society* 74 (3): 362–79.

Kotz, David M. 2013a. "Social Structures of Accumulation, the Rate of Profit, and Economic Crises." In *Capitalism on Trial. Explorations in the Tradition of Thomas E. Weisskopf*, edited by Robert Pollin and Jeanette Wick-Lim, 335–49. Cheltenham: Edward Elgar.

Kotz, David M. 2013b. "The Current Economic Crisis in the United States: A Crisis of Over-Investment." *Review of Radical Political Economics* 45 (3): 284–94.

Kotz, David M. 2015. “Capitalism and Forms of Capitalism: Levels of Abstraction in Economic Crisis Theory.” *Review of Radical Political Economics* 47 (4): 541–49.

Kotz, David M., and Terrence McDonough. 2010. “Global Neoliberalism and the Contemporary Social Structure of Accumulation.” In *Contemporary Capitalism and Its Crises: Social Structure of Accumulation Theory for the 21st Century*, edited by Terrence McDonough, Michael Reich, and David M. Kotz, 93–120. New York: Cambridge University Press.

Kotz, David M., and Martin H. Wolfson. 2004. “Deja Vu All Over Again: The ‘New’ Economy in Historical Perspective.” *Labor Studies Journal* 28 (4): 25–44.

La Parra-Pérez, Pablo. 2014. “Revueltas Lógicas: El Ciclo de Movilización Del 15M y la Práctica de la Democracia Radical.” *Journal of Spanish Cultural Studies* 15 (1–2): 39–57.

Laat, Joost de, and Almudena Sevilla-Sanz. 2011. “The Fertility and Women’s Labor Force Participation Puzzle in OECD Countries: The Role of Men’s Home Production.” *Feminist Economics* 17 (2): 87–119.

Labio-Bernal, Aurora. 2018. “Anti-Communism and the Mainstream Online Press in Spain: Criticism of Podemos as a Strategy of a Two-Party System in Crisis.” In *The Propaganda Model Today: Filtering Perception and Awareness*, edited by Joan Pedro-Carañana, Daniel Broudy, and Jeffery Klaehn, 125–41. London: University of Westminster Press.

Laclau, Ernesto. 1979. *Politics and Ideology In Marxist Theory. Capitalism, Fascism, Populism*. London: Verso.

Laclau, Ernesto. 1990. *New Reflections on the Revolution of our Time*. London: Verso.

Laclau, Ernesto. 1996a. “Deconstruction, Pragmatism, Hegemony.” In *Deconstruction and Pragmatism*, edited by Chantal Mouffe, 47–68. London and New York: Routledge.

Laclau, Ernesto. 1996b. *Emancipation(s)*. London: Verso.

Laclau, Ernesto. 1996c. "Why Do Empty Signifiers Matter to Politics?" In *Emancipation(s)*, 36–46. London: Verso.

Laclau, Ernesto. 1996d. "The Death and Resurrection of the Theory of Ideology." *Journal of Political Ideologies* 1 (3): 201–20.

Laclau, Ernesto. 2000a. "Constructing Universality." In *Contingency, Hegemony, Universality. Contemporary Dialogues on the Left*, by Judith Butler, Ernesto Laclau, and Slavoj Žižek, 281–307. London: Verso.

Laclau, Ernesto. 2000b. "Identity and Hegemony: The Role of Universality in the Constitution of Political Logics." In *Contingency, Hegemony, Universality. Contemporary Dialogues on the Left*, by Judith Butler, Ernesto Laclau, and Slavoj Žižek, 44–89. London: Verso.

Laclau, Ernesto. 2000c. "Structure, History and the Political." In *Contingency, Hegemony, Universality. Contemporary Dialogues on the Left*, by Judith Butler, Ernesto Laclau, and Slavoj Žižek, 182–212. London: Verso.

Laclau, Ernesto. 2005a. *On Populist Reason*. London: Verso.

Laclau, Ernesto. 2005b. "Populism: What's in a Name?" In *Populism and the Mirror Od Democracy*, edited by Francisco Panizza, 32–49. London: Verso.

Laclau, Ernesto. 2006. "Why Constructing a People Is the Main Task of Radical Politics." *Critical Inquiry* 32 (4).

Laclau, Ernesto, and Chantal Mouffe. 1987. "Post-Marxism without Apologies." *New Left Review* 166: 79–106.

Laclau, Ernesto, and Chantal Mouffe. 2001. *Hegemony and Socialist Strategy. Towards a Radical Democratic Politics*. London: Verso.

Lancaster, Thomas D. 2017. "The Spanish General Elections of 2015 and 2016: A New Stage in Democratic Politics?" *West European Politics* 40 (4): 919–37.

Lapavitsas, Costas. 2012. *Crisis in the Eurozone*. London: Verso.

Leitner, Sigrid. 2003. "Varieties of Familialism: The Caring Function of the Family in Comparative Perspective." *European Societies* 5 (4): 353–75.

Lenin, V. I. 1917. In *Imperialism. The Highest Stage of Capitalism*. Accessible at:https://www.marxists.org/archive/lenin/works/1916/imp-hsc/.

León, Margarita. 2010. "Migration and Care Work in Spain: The Domestic Sector Revisited." *Social Policy and Society* 9 (3): 409–18.

Lewis, William. 2005. "The Under-Theorization of Hegemony in 'Hegemony and Socialist Strategy.'" *Borderlands E-Journal* 4 (2).

Lipietz, Alain. 1979. *Crise et Inflation. Pourquoi?* Paris: François Maspero.

Lipietz, Alain. 1987. "Rebel Sons: The Regulation School." *French Politics and Society* 5 (4).

Lipietz, Alain. 1993. "From Althusserianism to 'Regulation Theory.'" In *The Althusserian Legacy*, edited by E. Ann Kaplan and Michael Sprinkler, 99–138. London and New York: Verso.

Lippit, Victor D. 1997. "The Reconstruction of a Social Structure of Accumulation in the United States." *Review of Radical Political Economics* 29 (3): 11–21.

Lippit, Victor D. 2005. *Capitalism*. London and New York: Routledge.

Lippit, Victor D. 2010. "Social Structure of Accumulation Theory." In *Contemporary Capitalism and Its Crises: Social Structure of Accumulation Theory for the 21st Century*, edited by Terrence McDonough, Michael Reich, and David M. Kotz, 45–71. Cambridge: Cambridge University Press.

Lippit, Victor D. 2014. "The Neoliberal Era and the Financial Crisis in the Light of SSA Theory." *Review of Radical Political Economics* 46 (2): 141–61.

López, Isidro, and Emmanuel Rodríguez. 2010. *Fin de Ciclo. Financiarización, Territorio y Sociedad de Propietarios en la Onda Larga del Capitalismo Hispano (1959-2010).* Madrid: Traficantes de Sueños.

López, Isidro, and Emmanuel Rodríguez. 2011. "The Spanish Model." *New Left Review* 69: 5–29.

Mandel, Ernest. 1995. *Long Waves of Capitalist Development. A Marxist Interpretation*. London: Verso.

Marchart, Oliver. 2007. *Post-Foundational Political Thought. Political Difference in Nancy, Lefort, Badiou and Laclau*. Edinburgh: Edinburgh University Press.

Martín, Irene. 2015. "Podemos y Otros Modelos de Partido-Movimiento." *Revista Española de Sociología* 24; 107-114

Martínez, Guillem, ed. 2012. *CT o La Cultura de La Transición. Crítica a 35 Años de Cultura Española*. Barcelona: Debolsillo.

Mateo, Juan Pablo. 2014. "Las Causas de la Crisis Económica en España." *Filosofía, Política y Economía en el Laberinto* 42: 83–96.

Mateo, Juan Pablo. 2017a. "The Profit Rate and Asset-Price Inflation in the Spanish Economy." *New School for Social Research Working Paper 21/2017*.

Mateo, Juan Pablo. 2017b. "Theory and Practice of Crisis in Political Economy: The Case of the Great Recession in Spain." *New School for Social Research Working Paper 21/2017*.

Mateo, Juan Pablo, and Miguel Montanyà. 2018. "The Accumulation Model of the Spanish Economy: Profitability, the Real Estate Bubble, and Sectorial Imbalances." In *The Political Economy of Contemporary Spain. From Miracle to Mirage*, edited by

Luis Buendía and Ricardo Molero-Simarro, 20–48. London and New York: Routlegde.

Maura, Eduardo. 2018. *Los 90. Euforia y Miedo en la Modernidad Democrática Española*. Madrid: Akal.

Mavroudeas, Stavros. 2006. "Social Structures of Accumulation, Regulation Approach and Stages Theory." In *Growth and Crisis.: Social Structure of Accumulation Theory and Analysis*, edited by Terrence McDonough, Michael Reich, David M. Kotz, and María Alejandra González-Pérez, 200–216. Galway: SSRC and CISC at the National University of Ireland.

McDonough, Terrence. 1994a. "Social Structure of Accumulation Theory, Contingent History and Stages of Capitalism." In *Social Structures of Accumulation: The Political Economy of Growth and Crisis*, edited by David M. Kotz, Terrence McDonough, and MIchael Reich.

McDonough, Terrence. 1994b. "The Construction of Social Structures of Accumulation in US History." In *Social Structures of Accumulation: The Political Economy of Growth and Crisis*, edited by David M. Kotz, Terrence McDonough, and Michael Reich.

McDonough, Terrence. 2003. "What Does Long Wave Theory Have to Contribute to the Debate on Globalization?" *Review of Radical Political Economics* 35 (3): 280–86.

McDonough, Terrence. 2010. "The State of the Art of Social Structure of Accumulation Theory." In *Contemporary Capitalism and Its Crises: Social Structure of Accumulation Theory for the 21st Century*, edited by Terrence McDonough, Michael Reich, and David M. Kotz, 23–44. New York: Cambridge University Press.

McDonough, Terrence. 2011. "Social Structures of Accumulation: A 'Punctuated' View of Embeddedness." *American Journal of Economics and Sociology* 70 (5): 1234–47.

McDonough, Terrence. 2015. “Social Structures of Accumulation. A Marxist Comparison of Capitalisms?” In *New Directions in Comparative Capitalisms Research. Critical and Global Perspectives*, edited by Matthias Ebenau, Ian Bruff, and Christian May, 118–33. London: Palgrave Macmillan..

McDonough, Terrence, and Emlyn Nardone. 2006. “Social Structures of Accumulation, the Regulation Approach and the European Union.” *Competition & Change* 10 (2): 200–212.

McDonough, Terrence, Michael Reich, and David M. Kotz. 2010. “Introduction.” In *Contemporary Capitalism and its Crises: Social Structure of Accumulation Theory for the 21st Century*, edited by Terrence McDonough, Michael Reich, and David M. Kotz, 1–19. New York: Cambridge University Press.

Medina, Iván, and Patricia Correa. 2016. “The 2015 Spanish Election: The Times They Are a’ Changing.” *Regional & Federal Studies* 26 (3): 407–17.

Miklitsch, Robert. 1995. “The Rhetoric of Post-Marxism. Discourse and Institutionality in Laclau and Mouffe, Resnick and Wolff.” *Social Text* 45 (Winter): 167–96.

Mingione, Enzo. 1995. “Labour Market Segmentation and Informal Work in Southern Europe.” *European Urban and Regional Studies* 2 (2): 121–43.

Miró, Joan. 2017. “Las Tensiones del Populismo en el Poder. Pueblo e Instituciones en la Teoría de Ernesto Laclau.” *Inguruak* 0 (62).

Miró, Joan. 2018. “Beyond Populism and Institutionalism: Anti-Populism and the Management of Austerity in Spain.” *Constellations* Ahead of Print: 1–16.

Montes, Pedro. 1993. *La Integración en Europa. Del Plan de Estabilización a Maastricht*. Madrid: Trotta.

Moreno, Luis. 2000. “The Spanish Development of Southern European Welfare.” In *Survival of the European Welfare State*, edited by Stein Kuhnle, 146–65. London: Routledge.

Moreno, Luis. 2001. “Spain, a ‘Via Media’ of Welfare Development.” In *Welfare States under Pressure*, edited by Peter Taylor-Gooby, 100–122. London: Sage.

Moreno, Luis. 2004. “Spain’s Transition to New Risks. A Farewell to ‘Superwoman.’” *Documentos de Trabajo CSIC*.

Moreno, Luis, and Amparo Serrano. 2011. “Europeanization and Spanish Welfare: The Case of Employment Policy.” In *The Spanish Welfare State In European Context*, edited by Ana M Guillen and Margarita Leon, 39–58. Burlington: Ashgate.

Moseley, Fred. 2013. “Comment on Kotz, Skillman, and Thompson.” In *Capitalism on Trial. Explorations in the Tradition of Thomas E. Weisskopf*, edited by Robert Pollin and Jeanette Wick-Lim, 381–84. Cheltenham: Edward Elgar.

Mouffe, Chantal. 2005. *On the Political*. New York: Routledge..

Mouzelis, Nicos. 1988. “Marxism or Post-Marxism?” *New Left Review* 167: 107–23.

Nardone, Emlyn, and Terrence McDonough. 2010. “Global Neoliberalism and the Possibility of Transnational State Structures.” In *Contemporary Capitalism and Its Crises: Social Structure of Accumulation Theory for the 21st Century*, edited by Terrence McDonough, Michael Reich, and David M. Kotz, 168–93. New York: Cambridge University Press

Naredo, José Manuel. 1996. *La Burbuja Inmobiliario-Financiera en la Coyuntura Económica Reciente (1985-1995)*. Madrid: Siglo XXI.

Naredo, José Manuel. 2006. *Raíces Económicas del Deterioro Ecológico y Social. Más Allá de los Dogmas*. Madrid: Siglo XXI.

Naredo, José Manuel. 2009. “La cara oculta de la crisis: El fin del boom inmobiliario y sus consecuencias.” *Revista de Economía Crítica* 7: 118–33.

Naredo, José Manuel. 2010. "Entrevista." *El Blog de José Fariña* (blog). July 23, 2010. https://elblogdefarina.blogspot.com/2010_07_01_archive.html.

Naredo, José Manuel. 2019. *Taxonomía Del Lucro*. Madrid: Siglo XXI.

Naredo, José Manuel, Oscar Carpintero, and Carmen Marcos. 2008. *Patrimonio Inmobiliario y Balance Nacional de La Economía Española (1995-2007)*. Madrid: FUNCAS.

Naredo, José Manuel, and Antonio Montiel. 2011. *El Modelo Inmobiliario Español y su Culminación en el Caso Valenciano*. Barcelona: Icaria.

Nieto, Maximiliano. 2006. "Tendencias de la Rentabilidad y la Acumulación en el Capitalismo Español (1954-2003)." *Revista de Economía Institucional* 8 (15): 185–206.

Norton, Bruce. 1988. "The Power Axis: Bowles, Gordon, and Weisskopf's Theory of Postwar U.S. Accumulation." *Rethinking Marxism* 1 (3): 6–43.

Nuñez-Seixas, Xosé Manoel. 2017. "Evolución Sociopolítica." In *España en Democracia, 1975-2011*, edited by Xosé Manoel Nuñez-Seixas, 1–379. Madrid: Crítica-Marcial Pons.

O'Hara, Phillip Anthony. 1995. "Household Labor, the Family, and Macroeconomic Instability in the United States: 1940s-1990s." *Review of Social Economy* 53 (1): 89–120.

O'Hara, Phillip Anthony. 2006. *Growth and Development in the Global Political Economy*. New York: Routledge.

Orriols, Lluis, and Guillermo Cordero. 2016. "The Breakdown of the Spanish Two-Party System: The Upsurge of Podemos and Ciudadanos in the 2015 General Election." *South European Society and Politics* 21 (4): 469–92.

Panizza, Francisco. 2011. "¿De Qué Hablamos Cuando Hablamos de Populismo? «¡Más Populista Será Tu Abuela!»." *RECSO* 2 (2): 15–38.

Pareja-Eastaway, Montserrat, and Teresa Sánchez-Martínez. 2017. "Social Housing in Spain: What Role Does the Private Rented Market Play?" *Journal of Housing and the Built Environment* 32 (2): 377–95.

Pérez, Sofía A. 1999. "From Labor to Finance: Understanding the Failure of Socialist Economic Policies in Spain." *Comparative Political Studies* 32 (6): 659–89.

Polanyi, Karl. 1957. *The Great Transformation*. Boston: Beacon Press.

Portos, Martín. 2016. "Taking to the Streets in the Shadow of Austerity: A Chronology of the Cycle of Protests In Spain, 2007-2015." *Partecipazione e Conflitto* 9 (1): 181–210..

Portos, Martín. 2017. "Keeping Dissent Alive under the Great Recession: No-Radicalisation and Protest in Spain after the Eventful 15M/Indignados Campaign." *Acta Politica*, November, 1–30.

Poulantzas, Nicos. 1974. *Fascism and Dictatorship: The Third International and the Problem of Fascism*. London: New Left Books.

Prieto, Carlos. 2000. "Trabajo y Orden Social. De la Nada a la Sociedad de Empleo (y su crisis)" *Politica y Sociedad* 34: 19–32.

Prieto, Carlos. 2007. "Del Estudio del Empleo como Norma Social al de la Sociedad como Orden Social." *Papeles Del CEIC* 2007/1 (28).

Rancière, Jacques. 1999. *Dis-Agreement*. Minneapolis: University of Minnesota Press.

Rancière, Jacques. 2004a. "The Distribution of the Sensible." In *The Politics of Aesthetics*. London: Bloomsbury.

Rancière, Jacques. 2004b. *The Politics of Aesthetics*. London: Bloomsbury.

Rancière, Jacques. 2007. *On The Shores Of Politics*. New York: Verso.

Rancière, Jacques. 2014. *Hatred of Democracy*. London: Verso.

Rawls, John. 1971. *A Theory Of Justice*. Cambridge, MA.: Harvard University Press..

Recio, Albert. 2009. "Rasgos del Nuevo Poder Oligárquico en España: Viejas y Nuevas Caras de la Oligarquía Española." In *Economía, Poder y Megaproyectos*, edited by Federico Aguilera Klink and José Manuel Naredo, 125–52. Madrid: Fundación César Manrique.

Recio, Albert, and Jordi Roca. 1998. "The Spanish Socialists in Power: Thirteen Years of Economic Policy." *Oxford Review of Economic Policy* 14 (1): 139–58..

Reich, Michael. 1993. "Radical Economics in Historical Perspective." *Review of Radical Political Economics* 25 (3): 43–50.

Reich, Michael. 1997. "Social Structure of Accumulation Theory: Retrospect and Prospect." *Review of Radical Political Economics* 29 (3): 1–10.

Rendueles, César, and Jorge Sola. 2018. "The Rise of Podemos: Promises, Constraints, and Dilemmas." In *Podemos and the New Political Cycle. Left-Wing Populism and Anti-Establishment Politics*, edited by Óscar García-Agustín and Marco Briziarelli, 25–48. Cham: Palgrave Macmillan.

Resnick, Stephen, and Richard D. Wolff. 1987. *Knowledge and Class. A Marxian Critique of Political Economy*. Chicago and London: University of Chicago Press.

Retamozo, Martín. 2014. "Populismo En América Latina: Desde La Teoría Hacia El Análisis Político. Discurso, Sujeto e Inclusión En El Caso Argentino." *Colombia Internacional* 82: 221–58.

Retamozo, Martín. 2017. "La Teoría Del Populismo de Ernesto Laclau: Una Introducción." *Estudios Políticos*, no. 41: 157–84.

Rey-Araújo, Pedro M. 2018. “Tensiones y Confluencias En Las Obras de Jacques Rancière y Ernesto Laclau.” *Revista Española de Investigaciones Sociológicas* 162 (Abril-Junio): 111–28.

Rodon, Toni, and María José Hierro. 2016. “Podemos and Ciudadanos Shake up the Spanish Party System: The 2015 Local and Regional Elections.” *South European Society and Politics* 21 (3): 339–57.

Rodríguez, Emmanuel. 2015. *Por Qué Fracasó la Democracia en España: La Transición y el Régimen lel ’78*. Madrid: Traficantes de sueños.

Rodríguez, Emmanuel. 2016a. “La Clase Media Es el Estado.” *Viento Sur* 149: 93–100.

Rodríguez, Emmanuel. 2016b. *La Política en el Ocaso de la Clase Media. El Ciclo 15M - Podemos*. Madrid: Traficantes de Sueños.

Rodríguez-Alonso, Raquel, and Mario Espinoza-Pino. 2017. *De la Especulación al Derecho a la Vivienda. Más Allá de las Contradicciones del Modelo Inmobiliario Español*. Madrid: Traficantes de Sueños.

Rodriguez-Cabrero, Gregorio. 2011. “The Consolidation of the Spanish Welfare State (1975-2010).” In *The Spanish Welfare State in European Context*, edited by Ana M Guillen and Margarita Leon, 17–38. Burlington, VT: Ashgate.

Rodríguez-Teruel, Juan, Astrid Barrio, and Oscar Barberà. 2016. “Fast and Furious: Podemos’ Quest for Power in Multi-Level Spain.” *South European Society and Politics* 21 (4): 561–85.

Romanos, Eduardo. 2017. “Late Neoliberalism and its Indignados: Contention in Austerity Spain.” In *Late Neoliberalism and its Discontents in the Economic Crisis. Comparing Social Movements in the European Periphery*, edited by Donatella della Porta, Massimiliano Andretta, Tiago Fernandes, Francis

O'Connor, Eduardo Romanos, and Markos Vogiatzoglou, 131–67. London: Palgrave Macmillan.

Rosenberg, Samuel. 2010. "Labor in the Contemporary Social Structure of Accumulation." In *Contemporary Capitalism and its Crises. Social Structure of Accumulation Theory for the 21st Century*, edited by Terrence McDonough, Michael Reich, and David M. Kotz, 195–214. New York: Cambridge University Press.

Ruiz-Gálvez, María Eugenia, and Lucia Vicent. 2018. "The Spanish Labor Market: On the Path of Flexibility and Wage Devaluation." In *The Political Economy of Contemporary Spain. From Miracle to Mirage*, edited by Luis Buendía and Ricardo Molero-Simarro, 98–123. London and New York: Routlegde.

Rustin, Michael. 1988. "Absolute Voluntarism: Critique of a Post-Marxist Concept of Hegemony." *New German Critique* 43: 146–73.

Saraceno, Chiara. 1995. "Familismo Ambivalente y Clientelismo Categórico en el Estado del Bienestar Italiano." In *El Estado Del Bienestar En La Europa Del Sur*, edited by Sebastián Sarasa and Luis Moreno, 261–88. Madrid: Instituto de Estudios Sociales Avanzados.

Schumpeter, Joseph A. 1939. *Business Cycles. A Theoretical, Historical, and Statistical Analysis of the Capitalist Process*. New York: McGraw-Hill.

Schwartz, Herman, and Leonard Seabrooke. 2008. "Varieties of Residential Capitalism in the International Political Economy: Old Welfare States and the New Politics of Housing." *Comparative European Politics* 6 (3): 237–61.

Sevilla-Sanz, Almudena, Jose Ignacio Gimenez-Nadal, and Cristina Fernández. 2010. "Gender Roles and the Division of Unpaid

Work in Spanish Households." *Feminist Economics* 16 (4): 137–84.

Simón, Pablo. 2016. "The Challenges of the New Spanish Multipartism: Government Formation Failure and the 2016 General Election." *South European Society and Politics* 21 (4): 493–517.

Simonazzi, Annamaria. 2009. "Care Regimes and National Employment Models." *Cambridge Journal of Economics* 33 (2): 211–32.

Sola, Jorge, and César Rendueles. 2018. "Podemos, the Upheaval of Spanish Politics and the Challenge of Populism." *Journal of Contemporary European Studies* 26 (1): 99–116.

Streeck, Wolfgang. 2014a. *Buying Time. The Delayed Crisis of Democratic Capitalism*. London: Verso.

Streeck, Wolfgang. 2014b. "The Politics of Public Debt: Neoliberalism, Capitalist Development and the Restructuring of the State." *German Economic Review* 15 (1): 143–65.

Streeck, Wolfgang. 2015. "The Rise of the European Consolidation State." *MPlfG Discussion Paper*, no. 15/1: 1–28.

Sweezy, Paul. 1968. *The Theory of Capitalist Development*. New York.

Tabb, William K. 2010. "Financialization in the Contemporary Social Structure of Accumulation." In *Contemporary Capitalism and Its Crises: Social Structure of Accumulation Theory for the 21st Century*, edited by Terrence McDonough, Michael Reich, and David M. Kotz, 145–67.

Taibo, Carlos. 2011. *Nada Será Como Antes. Sobre El Movimiento 15M*. Madrid: La Catarata.

Thomassen, Lasse. 2005. "Antagonism, Hegemony and Ideology after Heterogeneity." *Journal of Political Ideologies* 10 (3): 289–309.

Tobío, Constanza. 2013. “Estado y Familia en el Cuidado de las Personas: Sustitución o Complemento.” *Cuadernos de Relaciones Laborales* 31 (1): 17–38.

Toharia, Luis, Jesús Cruz Villalón, Cecilia Albert Verdú, and Francisco Javier Calvo Gallego. 2005. *El Problema de La Temporalidad en España. Un Diagnóstico*. Madrid: Ministerio de Trabajo y Asuntos Sociales.

Torns, Teresa, Pilar Carrasquer, Sara Moreno, and Vicent Borràs Català. 2013. “Career paths in Spain : gendered division of labour and informal employment.” *Revue Interventions économiques* 47.

Trifiletti, Rossana. 1999. “Southern European Welfare Regimes and the Worsening Position of Women.” *Journal of European Social Policy* 9 (1): 49–64.

Veltmeyer, Henry. 2000. “Post-Marxist Project: An Assessment and Critique of Ernesto Laclau.” *Sociological Inquiry* 70 (4): 499–519.

Wallace, Michael, and David Brady. 2010. “Globalization or Spatialization? The Worldwide Spatial Restructuring of the Labor Process.” In *Contemporary Capitalism and Its Crises: Social Structure of Accumulation Theory for the 21st Century*, edited by Terrence McDonough, Michael Reich, and David M. Kotz, 121–44. New York: Cambridge University Press.

Weerdt, Julie de, and Marisol Garcia. 2016. “Housing Crisis: The Platform of Mortgage Victims (PAH) Movement in Barcelona and Innovations in Governance.” *Journal of Housing and the Built Environment* 31 (3): 471–93.

Weisskopf, Thomas. 1981. “The Current Economic Crisis in Historical Perspective.” *Socialist Review* 57: 9–53.

Weisskopf, Thomas E., Samuel Bowles, and David M. Gordon. 1985. “Two Views of Capitalist Stagnation: Underconsumption and

Challenges to Capitalist Control." *Science & Society* 49 (3): 259–86.

Wolfson, Martin H. 2003. "Neoliberalism and the Social Structure of Accumulation." *Review of Radical Political Economics* 35 (3): 255–62.

Wolfson, Martin H., and David M. Kotz. 2010. "A Reconceptualization of Social Structure of Accumulation Theory." In *Contemporary Capitalism and Its Crises: Social Structure of Accumulation Theory for the 21st Century*, edited by Terrence McDonough, Michael Reich, and David M. Kotz, 72–90. New York: Cambridge University Press.

Wood, Ellen Meiksins. 1986. *The Retreat from Class: A New "True" Socialism*. London: Verso.

Žižek, Slavoj. 1990. "Beyond Discourse Analysis." In *New Reflections on the Revolution of Our Time*, edited by Ernesto Laclau, 249–60. London: Verso.

Žižek, Slavoj. 2000. "Class Struggle or Postmodernism? Yes, Please!" In *Contingency, Hegemony, Universality*, edited by Judith Butler, Ernesto Laclau, and Slavoj Žižek, 90–136. London: Verso.

Žižek, Slavoj. 2004. "The Lesson of Rancière." In *The Politics of Aesthetics*, by Jacques Rancière, 69–79. London: Bloomsbury.

Žižek, Slavoj. 2008. *The Ticklish Subject. The Absent Centre of Political Ontology*. London: Verso.

Žižek, Slavoj. 2012. *The Year Of Dreaming Dangerously*. Brooklyn, NY: Verso.